



## STAFF REPORT ACTION REQUIRED

### Cost of the Nutritious Food Basket - Toronto 2006

<b>Date:</b>	January 15, 2007
<b>To:</b>	Board of Health
<b>From:</b>	Medical Officer of Health
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### SUMMARY

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This report provides information on the cost of the Nutritious Food Basket in Toronto for 2006, and recommends measures to improve health through increased access to nutritious food for low-income individuals and families. The Nutritious Food Basket (NFB) is a food costing tool used to measure the cost of healthy eating in Board of Health jurisdictions within Ontario. The average weekly cost for a family of four in Toronto in 2006 is \$124.35 per week (\$538.43 per month), a slight decrease of 0.2% in food costs from the 2005 pricing survey. However, overall food costs have increased by 16.5% from 1999 when the costing tool was first implemented.

Adequate nutritious food is a basic requirement for health and well-being. The difficulty experienced by many Toronto residents in meeting daily nutritional needs to maintain health is a result of the combined effect of the rising cost of food, inadequate income due to a low minimum wage and inadequate social assistance rates and the high cost of other essential needs such as housing. This forces many people to rely on emergency support such as foodbanks.

The survey results were analysed according to the energy and nutrient needs of 23 age/gender groups, as defined in the 1990 Recommended Nutrient Intakes for Canadians. The 2006 results are summarized in Attachment 1.

## **RECOMMENDATIONS**

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### **The Medical Officer of Health recommends that:**

1. the Board of Health request the Premier of Ontario to increase social assistance benefit rates so that the Basic Allowance includes a nutrition allowance which meets daily nutritional needs as determined annually by the cost of the Nutritious Food Basket, and that the remainder of the Basic Allowance be set to enable recipients to afford other basic needs including transportation, clothing, and personal care items;
2. The Board of Health request the Premier of Ontario to publish annually the details of current social assistance rate components and how they are determined, including the nutrition allowance portion of the Basic Allowance;
3. the Board of Health request the Premier of Ontario to increase the provincial minimum wage to allow low income workers to purchase adequate nutritious food, as well as shelter and other basic needs;
4. the Board of Health request the Minister of Health Promotion to update the Nutritious Food Basket costing tool, based on the revised Canada's Food Guide to Healthy Eating after its release in 2007;
5. the Board of Health forward this report to the Ontario Ministers of Community and Social Services, Children and Youth Services and Health Promotion, and to the Office of Nutrition Policy & Promotion at Health Canada, as well as the City of Toronto's Community Development and Recreation Committee and Toronto City Council; and
6. the Board of Health forward this report to the Association of Local Public Health Agencies, the Ontario Public Health Association's Community Food Security Workgroup, all Ontario Boards of Health, the Association of Ontario Health Centres, the Ontario Society of Nutrition Professionals in Public Health and Dietitians of Canada.

### **Financial Impact**

There are no direct financial implications arising from this report.

### **DECISION HISTORY**

Since 1999, Boards of Health in the Province of Ontario have been required to complete an annual Nutritious Food Basket survey each May/June, using a supplied protocol and software program. The survey must be submitted to the Chief Medical Officer of Health by August 1<sup>st</sup> each year. The Ministry of Health and Long-Term Care recommends that

information about the cost of a Nutritious Food Basket be used to promote and support policy development to increase access to nutritious food. The results of the Nutritious Food Basket survey in Toronto are reported annually to the Board of Health and City Council and shared with a wide range of stakeholders.

## **ISSUE BACKGROUND**

As a requirement specified in the Chronic Disease Prevention program standard, *Mandatory Health Programs and Services Guidelines* (1997), Toronto Public Health staff conduct an annual food costing survey using the 1998 Ministry of Health and Long-Term Care document, *Monitoring the Cost of a Nutritious Food Basket Protocol* (1). This protocol requires that 66 specified foods be priced in at least six different grocery stores, including major supermarket chains and independent stores. The foods included in the Nutritious Food Basket (NFB) survey are based on nutrition recommendations and food expenditure surveys, and are not intended to be a prescriptive list of what to eat. Instead, it provides a sample of foods that can be used to determine benchmark costs of healthy eating. The NFB includes basic food items from all food groups in Canada's Food Guide to Healthy Eating.

The NFB tool does not include processed and prepared foods, snack foods or restaurant/take-out foods. It also excludes essential non-food items such as laundry detergent, soap, paper products, toiletries etc. that are often purchased with groceries, and it does not take into account the additional cost of transporting the goods home. The cost of the NFB is generally lower than the actual grocery expenditures of the average Toronto resident. It is also assumed that the consumer has access to an adequate number of good quality food stores, as well as sufficient time and means of transportation to allow for comparison shopping for the lowest prices. In addition, it is assumed that the consumer has the time, skills and equipment to plan, purchase and prepare meals and snacks from relatively low-cost food staples and ingredients.

With a revised Canada's Food Guide to Healthy Eating set to be released in 2007, the Nutritious Food Basket tool will require updating to reflect any new nutrition recommendations.

## **COMMENTS**

### **Access to Nutritious Food**

The difficulty that many Toronto residents have in meeting their daily nutritional needs is a result not only of rising food costs over time, but mainly of inadequate incomes and high housing costs. Since housing is a "fixed" expense, people living on a low and/or fixed income often have little or no money left to pay for food and other basic needs after paying the rent.

In 1995, as part of sweeping welfare reform, the Provincial Government reduced social assistance rates by 21.6 %. Toronto Social Services estimates that this cut, together with

10 years of inflationary erosion, has resulted in an almost 40% reduction in the purchasing power of Ontario Works benefits (2). A 3% increase in benefit rates in August 2005 only compensated for a single year's worth of inflation (3). Another 2% increase in December 2006, although welcome, is still inadequate for a basic standard of living to support health (4).

Minimum wage levels have also not kept pace with inflation over the past decade. In February 2006, the minimum wage rate was \$7.75/hour and will rise to \$8.00/hour in early 2007, which is still inadequate. An increased minimum wage rate that supports a basic standard of living is needed for all workers. In addition, employment insurance (EI) eligibility requirements are quite restrictive and many workers are not covered. Hence, for many Toronto residents, income is inadequate to cover the costs of healthy living.

The cost of housing continues to rise and is the largest expense incurred by most low income residents. Ontario Works (OW) shelter allowances are insufficient to cover the high cost of rental housing in Toronto. Toronto Social Services reported that between 1994 and 2002, the gap between the OW shelter allowance for a single mother with two children and the average rent for a two-bedroom apartment, rose from \$77.00 to \$493.00 (2). The majority of OW clients in Toronto, who live in rental units in the private market, are paying rents that far exceed their shelter allowances. The Board of Health and City Council have both previously requested that the Premier of Ontario base the shelter allowance component of OW rates on 100% of the median market rent.

The high cost of housing and inadequate income mean that many Toronto residents are forced to choose between paying the rent and buying food and other necessities. This, in turn, forces many people to rely on food banks and other emergency food programs to meet basic needs or risk losing their housing. Food banks were meant to be a stop-gap measure, offering important immediate assistance but not long-term support. Across the Toronto region, over 64% of food bank users report dependence on food banks as a regular part of their monthly budgets and 47.2% of all food bank users are on social assistance (5).

### **The Reality of Living on Social Assistance in Toronto**

A single person household on social assistance has a total monthly income of \$568.94, comprised of OW benefits and the Federal GST tax credit. Average monthly rent for a bachelor apartment in Toronto (including utilities) is \$740.00 which is more than the combined shelter and basic needs benefits (6). Thus, to even obtain housing, an individual likely would need to find shared accommodation or a single room at a much lower cost (i.e. \$400 per month including utilities), which is increasingly difficult in Toronto. The NFB cost for a single male (aged 25 to 49) is \$188.92. Even assuming accommodation can be found for \$400.00 per month, the combined cost of shelter and nutritious food exceed the monthly benefit leaving no funds for all other basic needs (i.e. transportation, telephone, personal needs).

A family of four (two parents, boy aged 13 and girl aged 8) on social assistance in Toronto would receive \$1,668.35 per month (again OW benefits plus child related tax benefits and GST tax credits). Average monthly rent for a 3-bedroom apartment in Toronto is \$1,272 per month (6), leaving only \$396.35 for food and other basic needs such as a telephone, household and personal care items, clothing and school supplies. The NFB cost for this family in 2006 is \$538.43. This family would not even be able to meet their family's nutritional needs, let alone any other basic need or emergency situations that might arise. In all likelihood, a family could not afford an appropriate apartment at the average cost. Even if they were able to find adequate accommodation for \$950 per month, a formidable challenge in Toronto today, they would have a total of \$179.92 left for the entire family's basic needs, which amounts to about \$1.50 per person per day. This is an obviously unsustainable position for families to be in.

In June 2006, City Council approved a report prepared by Toronto Social Services entitled "Systems of Survival, Systems of Support: An Action Plan for Social Assistance in the City of Toronto," that both documents the erosion of social assistance benefits over the past decade and puts forwards a range of recommendations calling for substantial changes to the social assistance system to ensure adequate benefits rates for Toronto residents (7). This Action Plan provides an overall framework for shaping a social assistance system that meets the needs of Toronto's vulnerable residents.

### **Adequate Nutrition for Social Assistance Recipients**

The most significant barrier to healthy eating is inadequate income. Poverty is associated with lower food expenditures as well as poor quality diets which tend to be comprised of foods that are more energy-dense, higher in fat and sugars and more refined (8). In addition, in Canada, low income families tend to consume fewer vegetables, fruit and milk products than higher income families (9). Many people on low incomes are unable to eat foods that are personally and culturally appropriate, which in turn contributes "to an overall sense of impoverishment" (10). Research has shown that young children living in low income households have poorer health status, more frequent hospitalizations, stomach aches and headaches, poorer social skills and impaired academic performance. Individuals from low income households are more likely to report poor health and multiple chronic conditions (e.g. heart disease, diabetes, hypertension), major depression and distress, and food allergies (11).

There is good evidence of a strong link between poverty and poor health, and the importance of good nutrition for healthy growth and development. The Nutritious Food Basket is an important and consistent tool, mandated by the provincial government, for determining the cost of healthy eating. At the same time, the provincial government sets social assistance rates which the NFB indicates are inadequate to support healthy eating in Toronto. For social assistance recipients, the Basic Allowance is intended to provide for healthy eating, as well as other essential needs. It makes sense therefore, that social assistance benefit rates be tied to the actual costs of healthy eating based on the Nutritious Food Basket, as well as the actual costs of purchasing other essentials such as basic household supplies, personal care items, telephone, clothing, school supplies, etc.

More broadly, information published by the Province about social assistance rates currently doesn't give any information about how they are arrived at, or what amounts provided under the basic needs allowance component are allocated to cover food, household supplies, clothing, personal care, and transportation costs. There is thus no way to compare the actual amounts available against actual costs in the local marketplace. The Nutritious Food Basket survey provides a useful method of determining food costs for healthy eating.

This report therefore requests that the Province annually publish a breakdown of the amounts allocated to cover costs under the basic needs component of OW allowances, including the nutrition allowance portion.

Low income workers face similar challenges to people on social assistance. The provincial minimum wage should be increased to allow low income workers to purchase adequate nutritious food as well as shelter and other basic needs. Healthy eating contributes to overall good health and results in reduced health care and other societal costs in the long term.

## **CONTACT**

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## **SIGNATURE**

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Dr. David McKeown  
Medical Officer of Health

## **ATTACHMENTS**

Attachment 1: Weekly Cost of Nutritious Food Basket in Toronto (May, 2006)

References

## Attachment 1

Weekly Cost of Nutritious Food Basket in Toronto (May, 2006)

Gender Group	Age (years)	Cost Per Week (\$)
Child	1	14.62
	2-3	15.45
	4-6	20.42
Boy	7-9	24.42
	10-12	30.32
	13-15	35.51
	16-18	41.38
Girl	7-9	23.40
	10-12	27.83
	13-15	29.73
	16-18	28.26
Man	19-24	39.16
	25-49	37.94
	50-74	34.29
	75+	30.95
Woman	19-24	28.96
	25-49	27.50
	50-74	27.00
	75+	26.31
Pregnancy	13-15	32.79
		34.63
		35.63
Pregnancy	16-18	32.76
		35.19
		36.12
Pregnancy	19-24	31.91
		34.04
		34.86
Pregnancy	25-49	30.54
		32.45
		33.13

This information can be used to calculate the cost of a Nutritious Food Basket for any household by adding up weekly food costs for each household member, based on each person's age/gender. To determine the household's monthly food cost, multiply the household's weekly food cost by 4.33. For example, the Nutritious Food Basket cost for a family of four, including two parents, a 13 year-old boy and an 8 year-old girl, is \$124.35 per week or \$538.43 per month.

## References

1. Ontario Ministry of Health, Public Health Branch. Monitoring the cost of a nutritious food basket protocol: Chronic disease prevention program. June 1, 1998.
2. Toronto Social Services. Ontario Works benefits rates: Loss of purchasing power since 1995. March 6, 2003.
3. Toronto Social Services. The continuing erosion of Ontario Works benefit rates. October 14, 2005.
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5. Ontario Association of Food Banks. Ontario Hunger Report – Hungry for Change. November, 2006.
6. Canada Mortgage and Housing Corporation, Rental Market Statistics, 2006.
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8. Drewnowski A, and Specter S.E. Poverty and Obesity: The role of energy density and energy costs. *Am J Clin Nutr.* 79:6-16. 2004.
9. Canadian Institute for Health Information. Improving the Health of Canadians. 2004. [www.cihi.ca](http://www.cihi.ca)
10. Hamelin A.M., etal. Characterization of household food insecurity in Quebec: Food and feelings. *Social Science & Medicine.* 54:119-132. 2002.
11. Vozoris N, Davis B, Tarasuk V. The Affordability of a Nutritious Diet for Households on Welfare in Toronto. *Canadian Journal of Public Health.* 93(1):36-40. 2002.