

Cost of the Nutritious Food Basket – Toronto 2007

Date:	September 5, 2007
To:	Board of Health
From:	Medical Officer of Health
Wards:	All
Reference Number:	

SUMMARY

This report provides information on the cost of the Nutritious Food Basket in Toronto for 2007 and recommends measures to improve health through increased access to nutritious food for individuals and families on low incomes. The Nutritious Food Basket (NFB) is a food costing tool used to measure the cost of healthy eating in each Board of Health jurisdiction within Ontario.

The average weekly cost for a family of four in Toronto in 2007 is \$133.04 per week (\$576.06 month). This is an increase of 7% in food costs from the 2006 pricing survey. Overall, food costs have increased by 24.5% since 1999, when the current version of the costing tool was first implemented.

Since the 2006 NFB results were presented to the Board of Health in January 2007, the provincial government has introduced an Ontario Child Benefit (OCB) for low income families of up to \$250 per dependent child under 18 years in 2007 rising to up to \$1,100 per child per year by 2011. A 2% increase in social assistance rates is scheduled to take effect in November 2007; however, a family of four receiving Ontario Works benefits would see an average increase of just over \$67/month as a result of implementation of OCB and the increase to social assistance. The cost of rent and basic groceries still exceeds available monthly income, leaving no funds for all other basic needs such as personal care items, clothing and transportation. The minimum wage rate has increased slightly in 2007 to \$8.00 per hour, but this is still far short of an adequate living wage.

Access to adequate amounts of safe and nutritious food is a basic human right as well as a fundamental requirement for health and well-being. The difficulty experienced by many Toronto residents in meeting daily nutritional needs is a result of the high cost of housing,

inadequate income, low social assistance rates, as well as the rising cost of food. This forces many people to choose between paying the rent and buying food and other necessities and increases the likelihood of relying on food banks and other emergency food programs.

The NFB survey results were analyzed according to the energy and nutrient needs of 23 age/gender groups, as defined in the 1990 Recommended Nutrient Intakes for Canadians. The 2007 results are summarized in Attachment 1.

RECOMMENDATIONS

The Medical Officer of Health recommends that:

1. the Board of Health direct the Medical Officer of Health to request the Premier of Ontario to increase Ontario Works benefit rates so that the Basic Allowance includes a nutrition component which is sufficient to meet 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 direct the Medical Officer of Health to request the Premier of Ontario to publish annually the details of current social assistance rate components and how they are determined, including the nutrition component of the Basic Allowance.
3. the Board of Health request that the Ministry of Health Promotion collate the results of the Nutritious Food Basket surveys conducted by local Boards of Health and report the findings publicly on an annual basis.
4. the Board of Health continue to champion community efforts to reduce health disparities by endorsing the 25 in 5 Network's call to provincial political candidates and parties to develop a comprehensive plan to reduce poverty rates in Ontario by 25% in five years.
5. the Board of Health request that all levels of government make significant investments in affordable housing, universal child care and other strategies that impact on income security.
6. the Board of Health reaffirm its request to the Premier of Ontario to increase minimum wage rates to ensure a standard of living to promote optimal health.
7. The Board of Health request the Premier of Ontario to implement the Ontario Child Benefit fully by 2008; and
8. The Board of Health forward this report to key stakeholders: the City of Toronto's Community Development and Recreation Committee, the General Managers of

Shelter, Support and Housing Administration, Children's Services, Homes for the Aged and Parks, Forestry and Recreation, the Ontario Ministers of Health Promotion, Community and Social Services, Children and Youth Services and Agriculture, Food and Rural Affairs, Agriculture and Agri-Food Canada, the Office of Nutrition Policy and Promotion at Health Canada, 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 (NFB) 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 1st of each year. Information about the cost of the NFB can 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 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, the NFB 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.

The difficulty experienced by many Toronto residents in meeting daily nutritional needs is a result of the high cost of housing, inadequate income, low social assistance rates, as well as the rising cost of food. In November 2005, the Board of Health requested the Premier of Ontario to increase social assistance rates such that the shelter component is 100% of median market rent and the basic needs component is increased by 40%. In June 2006, City Council approved a report by Toronto Social Services entitled *Systems of Survival, Systems of Support: An Action Plan for Social Assistance in the City of Toronto*, which calls for improvements to the social assistance system to ensure adequate benefits for Toronto residents. In addition to increases in OW rates, this action plan also identifies the need to consider local differences in cost of living when setting OW rates (2).

COMMENTS

Nutritious Food Basket Costing Tool

The NFB costing tool is designed to measure the cost of healthy eating in each Board of Health jurisdiction in Ontario. 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 potential 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 consistently plan, purchase and prepare meals and snacks from relatively low-cost food staples and ingredients.

The NFB tool will also require revisions to reflect new nutrition recommendations from *Eating Well with Canada's Food Guide*, which was released in February 2007.

Income and Food Access

The right to adequate food has been recognized in the International Covenant on Economic, Social and Cultural Rights (1966) and has been further defined by the Committee on Economic, Social and Cultural Rights in General Comment 12 (1999) which states, "The right to adequate food is realized when every man, woman and child, alone or in community with others, has the physical and economic access at all times to adequate food or means for its procurement" (3). Canada signed the United Nations Covenant on Social, Economic and Cultural Rights in 1976. The Toronto Food Charter, adopted by Toronto City Council in 2001, states that "every Toronto resident should have access to an adequate supply of nutritious, affordable and culturally-acceptable food". Inadequate incomes and the high cost of housing, together with rising food costs, have made it increasingly difficult, if not impossible, for Toronto residents living on limited incomes to realize this right.

The 2007 findings from the Nutritious Food Basket indicate that the cost of food for a reference family of four has increased 7% from 2006, in the City of Toronto. The 2006 NFB findings for Toronto showed a slight decrease of 0.2% in the cost of the foods as compared to 2005. The provincial average cost of the NFB for a family of four increased by 2.6% in 2006 from the previous year, while information on the 2007 provincial average cost is not yet available. Increases in food costs may be associated with many issues affecting various stages of the food system continuum, including the costs of production and processing, transport and distribution, marketing, purchasing and preparation. Within each stage of the food system, the cost of energy/fuel, utilities, wages and other components ultimately affect the price of food at the retail level. The NFB tool is a measure of the retail cost of food.

The Consumer Price Index also confirms an increase in food costs; up 3.5% over the last year, although the CPI is based on a smaller number of foods than in the NFB (4). The CPI is calculated on a monthly basis for Canada and provincially. In Ontario, foods which have shown an increase in price include fresh vegetables and fruit, dairy, meat and eggs (4); this is consistent with the NFB survey results in Toronto this year. In a recent analysis conducted by the Daily Bread Food Bank, individuals using food banks in Toronto were asked “Are there foods which you think you should eat for a healthy diet, but cannot afford? If so, which?” A total of 74.8% of respondents indicated vegetables and fruit, 76.4 % indicated meat and alternatives and 56.3% indicated milk (5).

According to the Canadian Community Health Survey 2.2 (2004), the prevalence of household food insecurity was 8.4% (n = 379,100 households) in Ontario, with 5.6% reporting moderate food insecurity and the remaining 2.7% severe food insecurity. Food security in this report referred to a household’s financial ability to purchase adequate food. In Ontario, the prevalence of food insecurity was 24% for female one-parent households and 14.1% for recent immigrant households who have been living in Canada 5 years or less (6). Furthermore, in Ontario, food insecurity was most prevalent (61%) in households where the main source of income was social assistance (6). Individuals and families on low or fixed incomes may be faced with the reality of choosing between paying the rent and buying food and other necessities, which increases the likelihood of turning to food banks and other emergency food programs to meet nutritional needs. Currently, one in ten Toronto residents rely on the inadequate income available through social assistance in any given year (2).

Vulnerability of the working poor to food insecurity is also highlighted in the most recent findings from the Canadian Community Health Survey 2.2 (2004). Results indicate that the prevalence of food insecurity among Ontario households who report their main source of income as salary/wages was 6.6% (6). The groups most affected by chronically low incomes include older single adults, lone parents and recent immigrants to Canada (7). Although the minimum wage rate has recently been increased from \$7.75 to \$8.00 per hour, it still falls short of an adequate living wage.

In 2007, the provincial government introduced the Ontario Child Benefit (OCB) to assist families living on low income. It will be phased in over five years, with an initial one-time payment in July 2007 of up to \$250 per dependent child under the age of 18. Payments will begin to flow monthly in July 2008 with the benefit level rising to up to \$600 per child per year, then to \$805 in 2009, \$900 in 2010 and by 2011, the benefit will be up to \$1,100 per child per year. Beginning in July 2008, OCB payments will be reduced by 3.4 cents for every dollar of adjusted family net income over \$20,000.

The 2007 provincial budget also provided for a 2% increase in social assistance rates to take effect this November. Although the government has taken some positive steps to strengthen income security, residents living on low incomes still cannot afford healthy food. For example, even with the recent changes announced, a family of four would see an increase of only just over \$67/month (an additional \$25.56 as a result of a 2% increase in OW rates and an additional \$41.66 as a result of the OCB benefit) by November 2007.

The combined cost of shelter and nutritious food still exceeds their monthly income, leaving no funds for all other basic needs. See Attachment 2 for more details on the monthly budgets for three households supported by Ontario Works benefits.

There are ongoing community efforts to support the importance of income security and the need to implement a provincial poverty reduction strategy. The 25 in 5 Network is a multi-sector network of agencies and organizations with a common goal: to encourage all provincial political candidates and parties to develop a plan to reduce poverty rates in Ontario by 25% in five years. The 25 in 5 Network is calling for a comprehensive, integrated and coordinated plan of action that would address the central components of community supports, housing, child care and income support/living wages.

In April 2007, the Community Development and Recreation Committee launched “Toronto for All”; an initiative to build an inclusive City that provides opportunities for optimal well-being and healthy development for all children, youth and adults. A key priority of the “Toronto for All” initiative is income security.

Food and Health

There is strong evidence of a direct link between poverty and poor health and the importance of good nutrition for healthy growth and development. 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 (8) than children living in higher income households. Individuals from low income households are more likely to report poor health and multiple chronic conditions such as heart disease, diabetes, hypertension, major depression and distress, and food allergies (9).

Poverty is associated with lower food expenditures, as well as diets comprised of foods that are more energy-dense, higher in fat and sugars and more refined (10). According to Drewnowski (2004), there is an inverse relationship between energy density of foods (energy per unit weight) and energy cost (\$/kcal), such that “diets based on refined grains, added sugars and added fats are more affordable than the recommended diets based on lean meats, fish, fresh vegetables and fruit” (11). In Canada, families on low income tend to consume fewer vegetables, fruit and milk products than higher income families (12). As well, many people living on low incomes are unable to eat foods that are personally and culturally acceptable, which in turn contributes “to an overall sense of impoverishment” (13).

Implications for City of Toronto Programs

Student Nutrition Programs, which provide over 80,000 meals and snacks per day to children and youth in approximately 500 programs across the city, will face additional budget pressures as a result of higher food costs. Of the \$2,799,340 in municipal funding for student nutrition programs in 2007, at least 70% is spent directly on food. A 7% increase in food costs translates into an additional \$137,168 needed by these community-based programs to purchase nutritious foods and maintain the current nutritional standards for these programs. All student nutrition programs (SNPs) are required to

include a serving of vegetables or fruit in every meal/snack and a serving of Milk and Alternatives in every meal. These food categories, already identified as unaffordable by a majority of food bank users, may become unaffordable to SNPs. Student Nutrition Programs will be forced to make difficult choices such as reducing the quantity and quality of the foods they provide or restricting the number of children and youth who access the program or reducing or ceasing program operation.

The Healthiest Babies Possible (HBP) and Peer Nutrition programs target “at-risk”, culturally diverse Toronto families. These programs provide food certificates to participants (i.e., pregnant women and parents with children up to 6 years old). Food certificates are used as an effective strategy for reducing barriers, increasing access to nutritional foods, decreasing food insecurity, incentives, and skill development or to purchase food for group facilitation for client populations. In 2006, HBP distributed \$235,660.00 in food certificates to approximately 1,100 clients, while Peer Nutrition distributed approximately \$175,000.00 in food certificates to 3,500 participants. The food certificates are intended to help clients purchase healthy foods, such as fruits and vegetables and milk and alternatives as recommended in Canada’s Food Guide, to meet key nutrients needed for healthy pregnancies and for adequate growth and development in the early years. Increased food costs means that the certificates will now have reduced purchasing power for these much needed nutritious foods.

Increased food costs will of course also have implications for all City programs and services that provide food, including child care centres, homes for the aged and shelters for homeless people. In June 2007, the Ontario Ministry of Health and Long-Term Care announced a \$0.11 per diem increase (i.e. from \$5.46 to \$5.57 per resident per day) in raw food costs for long-term care settings. However, due to advocacy efforts by Dietitians of Canada (DC), the Registered Nurses Association of Ontario (RNAO) and others, the provincial government announced a month later that it would increase the daily raw food allowance to \$7.00 per resident per day, effective September 1, 2007, which was the amount recommended by DC back in November 2006.

Conclusion

The high cost of housing and inadequate incomes (i.e. low minimum wage rates, inadequate social assistance rates) prevent Toronto’s most vulnerable and marginalized residents from accessing nutritious foods. There is a clear link between poverty and health. This year’s 7% increase in the cost of Nutritious Food Basket in Toronto makes the situation worse and will further impact overall health and quality of life.

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SIGNATURE

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ATTACHMENTS

- Attachment 1: Weekly Cost of Nutritious Food Basket in Toronto (May, 2007)
- Attachment 2: Monthly household budget for three household types supported by Ontario Works benefits and living in market rental accommodations

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.
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