

## **Cost of the Nutritious Food Basket - Toronto 2013**

<b>Date:</b>	September 16, 2013
<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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The purpose of this report is to provide information on the affordability and accessibility of the Nutritious Food Basket in Toronto for 2013. This report presents recommendations for government action to support and promote access to nutritious, safe and personally acceptable food.

According to the 2013 survey results, the average weekly cost of the Nutritious Food Basket for a reference family of four in Toronto is \$183.10 (\$792.82/month), representing an increase of 4.0% from 2012.

Food is a fundamental human need. Food insecurity, particularly in affluent countries, is believed to be the product of social and economic conditions and policies that limit the financial resources of individuals and families to access sufficient and nutritious food (1). In 2011, among adults in Toronto reporting that they have experienced some level of food insecurity, 29% had to skip or cut the size of meals or eat less than they felt they should because there was not enough money to purchase food (2). Addressing food insecurity calls for strategies and policy interventions to address factors that constrain food purchasing power among low income Toronto residents.

### **RECOMMENDATIONS**

The Medical Officer of Health recommends that:

1. the Board of Health urge the Premier of Ontario to increase social assistance rates to a level that reflects the true cost of nutritious food, based on annual results from the Ministry of Health and Long Term Care's Nutritious Food Basket survey;

2. the Board of Health request the Minister of Health and Long-Term Care act on the recommendations outlined in the implementation plan of *No Time to Wait: The Healthy Kids Strategy*, including the six milestones identified for year one, to address the issue of childhood obesity and promote the health and well-being of children and youth in Ontario (3);
3. this report be forwarded to: the General Managers of Employment and Social Services; Shelter, Support and Housing Administration; Children's Services; Affordable Housing Office; Parks, Forestry & Recreation; Economic Development and Culture; the Ontario Minister of Health and Long-Term Care; the Ontario Minister of Community and Social Services; the Ontario Minister of Children & Youth Services; the Ontario Minister of Agriculture, Food and Rural Affairs; the Association of Local Public Health Agencies; the Ontario Public Health Association; Ontario Boards of Health; the Association of Ontario Health Centres; the Ontario Society of Nutrition Professionals in Public Health; Dietitians of Canada, all Toronto area MPPs and MPs; and the five Local Health Integration Networks (LHINs) in the Greater Toronto area.

### **Financial Impact**

There are no financial implications arising from this report.

### **DECISION HISTORY**

The Ontario Public Health Standards are published by the Minister of Health and Long-Term Care to specify the mandatory health programs and services provided by the boards of health. The section under Chronic Diseases and Injuries Program Standards, #2 of the Assessment and Surveillance Requirements, states: The board of health shall monitor food affordability in accordance with the *Nutritious Food Basket Protocol, 2008* and the *Population Health Assessment and Surveillance Protocol, 2008*. The purpose of this protocol is to provide operational direction to boards of health in monitoring food affordability, as it relates to the reduction of health inequities. The results from the food basket costing are submitted to the Ministry by July 1 each year and reported to the Board of Health on an annual basis.

### **ISSUE BACKGROUND**

#### **Determining the Cost of a Nutritious Food Basket**

The Nutritious Food Basket is a survey tool that monitors the cost of healthy eating. The protocol used for conducting the food costing is based on eating patterns that meet the recommendations from *Eating Well with Canada's Food Guide* and accounts for actual eating behaviours and food purchasing patterns highlighted in the Canadian Community Healthy Survey 2.2 results.

The Nutritious Food Basket protocol includes 67 basic food items from the four food groups. The lowest available price for each food item in specified sizes, regardless of brand, is recorded at 12 grocery stores over a two week period in May. The foods included in the survey are intended to act as a benchmark to reflect the cost of healthy eating. An additional 5% is added to the cost of the Nutritious Food Basket to cover miscellaneous food items such as spices, condiments and baking supplies. A household size adjustment factor is applied in order to account for the economies of scale that are associated with family size.

Results from the Nutritious Food Basket survey can be used to monitor food accessibility and improve community access to food; support program planning and services; determine the average cost of a Nutritious Food Basket for an individual or family and compare to other household fixed and variable monthly expenses; and, inform policy decisions and interventions that reduce food insecurity.

#### *Limitations and use of survey results*

The Nutritious Food Basket survey is not without limitations. Although the costing takes place in several areas throughout Ontario, it is inappropriate to extrapolate results to other parts of Ontario due to inter-regional differences. Secondly, the sample of food outlets is limited and the survey is undertaken at only one time point in the year and so may not reflect average costs over the whole year.

The calculated cost of a very economical basket of food suggests the Nutritious Food Basket is generally lower than actual grocery expenditures for the average person. There are several possible reasons for this. First, the nutritious food basket assumes individuals always buy according to the lowest price and not according to need, preference or availability. Second, the food basket includes items that require preparation for which a degree of food literacy and expertise is assumed. Third, the food basket excludes processed and prepared foods, snack foods or restaurant/take-out foods, infant formula, baby food and non-food items often purchased with groceries, i.e., laundry detergent, paper products, etc. Fourth, no assumptions for “economy of scale” have been made, nor margins for food spoilage (4).

#### **A Closer Look at Food Prices**

The average weekly cost for a family of four to purchase the Nutritious Food Basket in Toronto in 2013 is \$183.10 or \$792.82/month. The year-over-year change is a 4.0% increase. The Weekly Cost of the Nutritious Food Basket in Toronto (May 2013) results are summarized in Attachment 1.

Statistics Canada reported that Canadian consumers paid 0.7% more in May 2013 than they did in May 2012 for the goods and services included in the Consumer Price Index basket (6). For the second consecutive month, the shelter 1.3% and food 1.3% components were the main upward drivers to the rise in the Consumer Price Index. Although the increase in food costs for Toronto were not proportional to the rise experienced by the Consumer Price Index, the cost increases were uniform for certain food categories. Compared with May 2012, consumers paid more for food purchased

from stores, notably beef 2.7%, other processed meat 2.1%, canned and other preserved fish 4.9%, eggs 4.8%, bread 5.1%, other bakery products 3.6%, apples 14.7%, oranges 5.2% and fresh vegetables 5.8%, specifically, tomatoes 17.4% and lettuce 4.3% (6). Ontario experienced a 0.5% increase on all-items in consumer prices in the 12 months to May. The main upward contributors to the rise in the Consumer Price Index were higher prices for shelter and food. Prices for food purchased from stores rose 1.0% in the 12 months to May. The main upward contributors were bakery and cereal products 2.1% and fresh vegetables 4.5% (5).

Overall, the Nutritious Food Basket 2013 results witnessed the greatest price increase in processed cheese 7.6%, ground beef 23.5%, chicken legs 13.4%, pork 6.3%, pre-packaged ham 27.6%, canned salmon 18.9%, eggs 5.6%, bread 7.23%, corn 8.1%, tomatoes 25.4% and apples 31.2% (Attachment 2). The University of Guelph Food Price Index 2013 forecasted food prices to increase 1.5% - 3.5% and postulated food retail prices in Canada to grow steadily in the coming years. Many of the projections proposed in the University of Guelph Food Price Index 2013 report have materialized as actual price increases. Monitoring food price inflation illustrates that food has significantly increased faster than any other major component of the Consumer Price Index since 2009 (6). This will adversely affect low income individuals and families who already face barriers to accessing adequate and nutritious food.

## **COMMENTS**

### **Increasing Food Costs and its Impact**

#### *Nutritious Food and Health Outcomes*

Food insecurity exists when the ability to acquire nutritionally adequate and safe food in socially acceptable ways is limited or uncertain (7). Food- insecure individuals are more likely to have one or more chronic health condition such as diabetes or cardiovascular disease; to experience mental illnesses such as depression; and to be more prone to obesity or overweight (8 – 14).

Food insecurity has also been linked to increased incidence of childhood overweight in the Canadian Medical Association Report Card on Health. In this survey, 22% of parents in low income families reported having overweight children, compared to 9% in families with higher incomes (15).

#### *Food Security and Income*

Research conducted among low income Toronto families reinforces the importance of household-level characteristics. Food insecurity was pervasive, affecting two-thirds of families, indicative of food deprivation. In particular, food insecurity was inversely associated with income and income source such as reliance on social assistance (16). This is demonstrated in Attachment 2. Despite government incentives designed to assist low income families and individuals, the cost of nutritious food relative to income has not decreased in the past five years. Though social assistance rates in Ontario resumed a course that has kept pace with inflation from 2009 to 2013, recent trends reveal that the

cost of food has been rising faster than the Consumer Price Index. Over time, this has caused an increasing gap between rising food costs and social assistance rates, highlighting the mounting pressure faced by social assistance recipients to afford nutritious food.

Recent Provincial policy decisions will influence the true cost and affordability of food for many residents vulnerable to food insecurity due to low incomes. The Provincial government responded to a number of the recommendations made by the Social Assistance Review Commission by making changes to the amounts of money those in receipt of assistance can receive and retain. In its 2013 Budget, the Ontario Government adjusted social assistance rates by 1%, the current rate of inflation, and added a \$14 top-up (3%) for single adults without children on Ontario Works – the lowest current rate category. The additional 1% for 2013 will provide \$6.06 more a month to a single adult on Ontario Works. The \$14 top-up will bring the single rate up by \$20/month to \$626.06. This is a small step towards real, rather than inflationary increases. Social assistance rate increases will take effect in September 2013 for ODSP and in October 2013 for Ontario Works.

Market families allocating over 30% of their income to shelter had increased odds of food insecurity compared to those that allocated 30% or less (17). The impact of rising food prices on Toronto residents is illustrated in Attachment 3, May 2013 - Nutritious Food Basket Scenarios. For a family of four on Ontario Works and one person household on Ontario Works benefits 66% and 121%, respectively, of income is required for rent. In comparison, a household that earns a median Ontario income would spend approximately 20% of their income on rent. Although the research implies that subsidies afford some advantage among families in subsidized housing compared to those on a waiting list, the pervasiveness of food insecurity among subsidized families raises questions about the adequacy of current subsidy levels (17). Within this context, while food expenditures may be readily altered to free up money for other needs, non-discretionary expenses such as housing and utility costs appear to be relatively inelastic. This highlights the need for interventions to address financial constraints that underlie issues of food insecurity.

Analysis of the 2004 and 2011 Canadian Community Health Survey (CCHS) identified socio-economic factors associated with household food insecurity in Ontario. The prevalence of food insecurity increased markedly as income adequacy declined. Sixty-one percent of households reliant on social assistance were food insecure, as were 37% of those reliant on Employment Insurance or Workers' Compensation, compared with 6.5% of households reliant on salaries and wages and 5% reliant on pensions or seniors' benefits (18, 19). Other household characteristics associated with a higher likelihood of food insecurity included being a female lone parent (35%), having an income below the Low Income Measure (33%), being Aboriginal (27%), and renting (25%) (19). Three correlates of household food insecurity were delineated from this research: low income adequacy, social assistance as the main source of income and not owning one's dwelling. These studies corroborate other findings suggesting that household reliance on social assistance increases the likelihood of food insecurity (20).

## **Implications for City Programs**

Increasing food costs have a significant impact on the cost of city programs and services which have food as a component to the program.

Student Nutrition Programs, which provide meals and snacks to 147,622 children and youth in 686 programs across the city, will face additional budget pressures this new school year as a result of higher food costs. The full municipal grant for student nutrition programs is dedicated to the cost of purchasing nutritious food (\$5,300,380 in 2013) and accounts for 11.5% of the program budget (\$47.6 M). A 4.0% increase in food costs translates into a net increase of \$214,130 on the existing municipally funded programs; and an additional \$1.9 M across the entire program food costs which community-based programs will need to raise in order to purchase nutritious food and maintain the current nutritional standards for these programs.

The Healthiest Babies Possible (HBP) and Peer Nutrition programs serve “at-risk”, culturally diverse Toronto families. These programs provide food vouchers to participants, i.e., pregnant women and parents with children up to 6 years old. Food vouchers are intended to help clients purchase healthy foods, such as vegetables and fruit and milk and alternatives 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.

This 4.0% rise in food costs will also have an impact on other City programs and services that provide food, including child care centres, homes for the aged and shelters for homeless people.

## **CONCLUSION**

Food insecurity is a significant social and public health concern. Food affordability, as measured by the Nutritious Food Basket, represents one factor affecting food insecurity. Previous Board of Health reports have outlined how insufficient incomes, i.e., low minimum wage rates, inadequate social assistance rates, prevent Toronto’s most vulnerable and marginalized residents from accessing healthy food. The significant increase in food costs for 2013 further jeopardizes access to nutritious food.

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## **SIGNATURE**

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## **ATTACHMENTS**

Attachment 1: Weekly Cost of the Nutritious Food Basket in Toronto, May 2013

Attachment 2: Infographic, Cost of a Nutritious Food Basket, 2013

Attachment 3: May 2013 Nutritious Food Basket Scenarios

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