



## STAFF REPORT ACTION REQUIRED

### Cost of the Nutritious Food Basket – Toronto 2015

<b>Date:</b>	October 5, 2015
<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 details the results of the annual Nutritious Food Basket (NFB) survey, which tracks the affordability of healthy foods for individuals and families in Toronto.

In 2015, the estimated weekly cost of the Nutritious Food Basket for a reference family of four in Toronto is \$195.65 (\$847.16 per month). This represents an increase of 1.3% from 2014.

Every year, the NFB is used to survey the prices of a prescribed list of 67 foods in grocery stores. The foods fit with a basic, healthy diet that is consistent with Canada's Food Guide. The Nutritious Food Basket measures the minimum cost of healthy eating for a household in Toronto and how it changes over time.

Food prices have increased yearly since 2006, outpacing increases in minimum wage and social assistance rates. Even households working full-time may find themselves food insecure, with limited or uncertain ability to afford healthy food. A living wage has been identified as an effective way to reduce poverty. The living wage is calculated to include adequate, healthy food; and assumes that a household should be food secure. By adopting a living wage policy at the City of Toronto, those working for the City could afford adequate, healthy food for themselves and their families.

#### RECOMMENDATIONS

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

1. The Board of Health urge the Ministry of Community and Social Services to set social assistance rates at a level that supports household food security based on

- annual results from the Ministry of Health and Long Term Care's Nutritious Food Basket survey.
2. The Board of Health reiterate its request to the Ministry of Health and Long Term Care to update the Nutritious Food Basket tool to more accurately reflect the true cost of eating per household, including food items that are ethno-culturally appropriate, pre-packaged/frozen and snack foods.
  3. The Board of Health reiterate its endorsement of a Living Wage for Toronto to increase income and reduce health inequities, and urge City Council to adopt a Living Wage policy.
  4. The Board of Health forward this report to: the General Managers of Employment and Social Services; Shelter, Support and Housing Administration; Children's Services; Affordable Housing Office; Economic Development and Culture; Social Development, Finance and Administration; Urban HEART @ Toronto; Ontario Ministers of Health and Long-Term Care, Community and Social Services, and Children & Youth Services; Interim Chief Medical Officer of Health of Ontario; Public Health Ontario; the Association of Local Public Health Agencies; the Ontario Public Health Association; the Association of Ontario Health Centres; the Ontario Society of Nutrition Professionals in Public Health; Dietitians of Canada; and the five Local Health Integration Networks (LHINs) in the Greater Toronto area.

### **Financial Impact**

There are no direct financial implications associated with this report.

### **DECISION HISTORY**

Toronto Public Health has reported to the BOH on the Nutritious Food Basket survey findings annually since 1999. All Boards of Health in Ontario are mandated by the Ontario Public Health Standards to monitor food affordability using this tool, based on the *Nutritious Food Basket Protocol, 2008* and the *Population Health Assessment and Surveillance Protocol, 2008*. Results are submitted to the Ministry of Health and Long-Term Care by July 1 each year<sup>1</sup>.

The 2014 Nutritious Food Basket survey results were presented to the Board of Health on November 17, 2014:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.HL34.3>

### **ISSUE BACKGROUND**

The Nutritious Food Basket (NFB) is a survey tool used across Ontario to estimate the minimum cost of a healthy diet. Every year, the prices of a prescribed list of 67 foods are gathered in grocery stores. The foods fit with a basic, healthy diet that is consistent with Canada's Food Guide. Public health units use this to monitor the affordability of healthy foods in their regions. It is not designed to be a budgeting tool. Instead, the Nutritious

Food Basket allows us to gauge the minimum cost of healthy eating for a household in Toronto. Its strength is in showing the change in the cost of food over time.

The NFB may underestimate the real cost of healthy eating for any one family in Toronto. The tool assumes the time and skill to find, purchase and prepare from scratch the least expensive options. Its food list does not include many diverse foods that are staples in some of Toronto's cultural communities. It also does not include snack foods or many prepared foods that are widely popular. In November 2014, the Board of Health recommended to the Ministry of Health and Long-Term Care that the list of foods be revised to better reflect the true cost of healthy eating<sup>2</sup>.

### **2015 Nutritious Food Basket Results**

In 2015, the estimated cost of the Nutritious Food Basket for a reference family of four in Toronto is \$195.65 per week, or \$847.16 per month. This represents an increase of 1.3% from 2014. This year's increase is part of an ongoing trend. Since 2010, there has been an increase of 18.4% in the cost of the Nutritious Food Basket.

This year's results show significant variability in prices from 2014 with significant increases for some foods partially offset by decreases for others. Most of the largest price changes were in produce, for example: romaine lettuce 33.3%, cantaloupe 20.9%, iceberg lettuce 19.0%. The largest price decreases were onions -29.9%, lentils -29.7% and frozen green peas -14.4%.

As a group, Vegetables and Fruit showed the most significant increase (4.9%), with Orange Vegetables and Fruit increasing by 9.4% and Dark Green Vegetables and Fruit increasing by 6.1%. Moderate increases were seen in Whole Grain Products (1.8%). Beef increased by almost 10%, however Meat, Poultry and Legumes as a group increased by 1.3%.

Statistics Canada's Consumer Price Index (CPI) for Ontario shows a 4.2% increase<sup>3</sup> in the cost of food purchased from stores, from May 2014 to May 2015. The CPI and the NFB are not directly comparable because of differences in how they are calculated. The CPI reports on food prices across Ontario rather than in Toronto specifically. The CPI also captures the prices of a wider variety of foods, including prepared, snack and processed foods that are excluded from the NFB survey. In spite of these differences, both figures suggest a meaningful increase in the cost of food.

### **COMMENTS**

The 2015 NFB shows a moderate (1.3%) increase in the price of food over the previous year, relative to 2014 and 2013 results (increases of 5.4% and 4.0%, respectively). However, this smaller increase does not indicate that food prices are levelling off or decreasing. While factors such as lower energy prices and retail competition slowed the increase in the spring of 2015, food prices have continued to climb due to the weak Canadian dollar and ongoing droughts in California and Brazil<sup>4,5</sup>.

The basic cost of healthy eating has risen an estimated 18.4% since May 2010<sup>6</sup>. In the same time period, the hourly minimum wage has risen \$1.00 an hour<sup>7</sup>. While recent improvements to the Provincial minimum wage are positive, working full-time hours at the minimum wage by no means ensures even the basics for workers<sup>8,9</sup>. The majority (58.3%) of those who are food insecure in Ontario are working<sup>10</sup>, and 64.5% of households that depend on social assistance are food insecure<sup>v</sup>.

### ***Food Insecurity***

In Canada, food insecurity is characterized by a limited or uncertain ability to afford food. There is a wide spectrum of food insecurity but in general, it requires people to strategize around food where most people simply buy it. Higher food prices may contribute to food insecurity at a household level<sup>11</sup>. In order to stretch a limited food budget, families may reduce variety and even quantity of foods. Price factors significantly into the decision-making around food purchases in low income households<sup>12,13</sup>. Low income families are likely to prioritize perceived value for money when making food purchases, and value is often defined by the ability to 'fill up' rather than getting the most nutritious choices<sup>14</sup>.

Healthier diets have been shown to cost more<sup>15</sup>. The impact of years of continued increases in food prices on the diets of low income Toronto residents is of concern, particularly when we see greater price increases in healthier categories of food such as vegetables and fruit. (Attachment 1 – *Weekly Cost of the Nutritious Food Basket in Toronto (May 2015)*). The effect of rising food prices on households is illustrated in Attachment 2, *May 2015 – Nutritious Food Basket Scenarios*. A family with both parents working full-time, minimum wage jobs, is likely to spend at least 21% of their income on food, 1.5 times the Canadian average<sup>16</sup>. The same family on Ontario Works would spend at least 39% of its income on food. These families may be spending 57% and 107% of their incomes, respectively, on food and rent alone (see Scenarios 8 and 1).

Food insecurity has a demonstrable and lasting effect on health and has been associated with various poor health outcomes, including stress and mental health, chronic disease<sup>17</sup> and nutrient inadequacies<sup>18,19</sup>. Food insecurity is associated with significantly higher annual health care costs for Ontarians, independent of income. The more food insecure a household is, the higher the health care costs of the adults that live there. The costs of health care services accessed by adults in severely food insecure households may be between 76% and 121% higher than services accessed by adults in food secure households, in Ontario<sup>20</sup>.

### ***Case examples of Food Insecurity in Toronto***

The following cases illustrate the impact of food insecurity on families in Toronto.

#### **Case Example 1:**

A woman in her late 30s lives with her three children in a basement apartment. On social assistance, she has \$100 or less a month for food, after paying the rent. She was referred to TPH services because of concerns that her children may be malnourished. In order to feed her family, she had been buying chicken carcasses, mostly bone and sinew, for

\$1/bag, which she would divide into 3 or 4 meals. She would get vegetables and fruit that had been thrown out by stores because they were no longer good for sale.

#### Case Example 2:

A family of new Canadians was referred to TPH services because of health concerns including iron deficiency anemia in the children. The mother is depressed; well educated, a physician in her country of origin, she has been unable to find work in Canada. Her husband is working in poorly paid jobs with irregular hours. She expresses frustration bordering on desperation at her appointment. More than nutrition education, she and her husband need decent jobs so that they can buy nutritious food.

#### ***A Living Wage***

There is a strong association between food insecurity and poverty in Canada<sup>v</sup>. Poverty is consistently associated with poorer health outcomes. The *Unequal City 2015*<sup>21</sup> report showed that Toronto residents with low incomes have poorer health status compared to higher income groups, on numerous measures. At the April 2015 meeting, the Board of Health endorsed a living wage in order to increase income security and reduce health inequities.

A living wage has been identified as an effective way to reduce poverty<sup>22</sup>. It is the minimum income needed for a two-parent family to lead a simple, active life in a given community. The living wage is calculated to include adequate, healthy food: it assumes that a household should be food secure. The current living wage for Toronto is estimated to be \$18.52 an hour; the minimum wage in Ontario is \$11.25 as of October 2015.

The City's interim Poverty Reduction Strategy recommends that the City become a living wage employer as a means of making a meaningful impact on poverty in the City of Toronto. Should the City become a living wage employer, all companies contracted by the City of Toronto would be required to pay a living wage or more.

Toronto's Poverty Reduction Strategy identifies Food Access as one of its six areas of action; food is crucial to our health and culture as a City. The Nutritious Food Basket survey measures a narrow aspect of food access, specifically its affordability: the ability of a family or individual to buy basic healthy groceries. While there are many factors that influence access to food, income is the main predictor of food insecurity in Canada.

## **CONCLUSION**

Food insecurity affects the health and quality of life of Toronto residents. The continued rise in the cost of food, outpacing recent improvements to minimum wage and social assistance benefits, impacts individuals' and families' abilities to obtain adequate, healthy food. Food insecurity is one of the facets of poverty that can have a crippling effect on the people living it. Efforts to improve the health and wellness of Toronto residents require effective policies to address poverty.

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**SIGNATURE**

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**ATTACHMENTS**

Attachment 1: Weekly Cost of the Nutritious Food Basket in Toronto, May 2015  
Attachment 2: May 2015 – Nutritious Food Basket Scenarios

## REFERENCES

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