Cost of the Nutritious Food Basket – Toronto 2016

Date: September 12, 2016

To: Board of Health

From: Acting Medical Officer of Health

Wards: All

Reference Number: SUM-14.3

SUMMARY

This report provides an update on the results of the annual Nutritious Food Basket survey, which tracks the affordability of healthy foods for individuals and families in Toronto. In 2016, the estimated weekly cost of the Nutritious Food Basket for a reference family of four in Toronto is $198.34 ($858.81 per month). This represents an increase of 1.4% from 2015.

In Toronto, one in eight households experiences food insecurity. Low wages, inadequate social assistance rates combined with high costs of housing, childcare and other basic necessities are obstacles to accessing healthy food. Food insecurity is a public health issue because it is linked to negative health outcomes. Recent improvements in the federal child benefits are positive steps that will help low income families struggling to make ends meet. However, more needs to be done to ensure all vulnerable populations have access to affordable, sufficient, safe, nutritious and culturally-acceptable food. The root cause of food insecurity is poverty and an income response is required to effectively address the problem.

RECOMMENDATIONS

The Acting Medical Officer of Health recommends that:

1. The Board of Health reiterate its request to the Ministry of Community and Social Services to increase social assistance rates to 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 request the Ontario government to prioritize development and implementation of a basic income guarantee pilot to help reduce poverty and improve income security.

3. The Board of Health request that the Ministry of Health and Long Term Care, as part of the modernization of the Ontario Public Health Standards, 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 and pre-packaged.

4. The Board of Health forward this report to the City of Toronto's 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; 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 a standardized 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\(^2\),\(^3\),\(^4\).

The most recent report was presented to the Board of Health at its November 3, 2015 meeting: [http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.HL7.4](http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.HL7.4)

**ISSUE BACKGROUND**

The Nutritious Food Basket (NFB) is a survey tool used annually to estimate the minimum cost of a healthy diet. Public health units across Ontario use the NFB to monitor the affordability of healthy foods in their regions by collecting food prices from local grocery stores. The survey includes 67 food items that reflect a healthy eating pattern based on Canada’s Food Guide.

The tool assumes the time and skill to find, purchase and prepare the least expensive options. It does not include many cultural staple foods, processed convenience foods, snack foods, infant food, special dietary foods and non-food items (laundry detergent,
soap, toilet paper, etc.). The NFB is not intended as a budgeting tool. Its strength lies in the ability to track changes in the cost of food over time. The NFB findings are best viewed in relation to income and basic household expenses as this helps to determine the food insecurity risk in vulnerable populations (Attachment 1).

**COMMENTS**

**2016 Nutritious Food Basket results**

In 2016, the estimated cost of the Nutritious Food Basket for a reference family of four in Toronto is $198.34 per week, or $858.81 per month (Attachment 2). This represents 1.4% increase from 2015 and is similar to the 2015 NFB (1.3%). Since 2009, the cost of the Nutritious Food Basket increased by 20.1%.

This year's results show variability in prices from the previous year, with significant increases in some foods partially offset by decreases in others. As in 2015, most of the largest price changes were in produce, for example: onions 39.3%, cabbage 18.0%, frozen mixed vegetables 15.9%, pears 15.5%, canned peaches 15.2% and iceberg lettuce 14.7%. The largest price decreases were in sweet green peppers -22.8%, cantaloupe -17.8%, broccoli -11.5%, oranges -11.0% and potatoes -9.1%. Interestingly, in 2015 onions were noted as having the largest price decrease (-29.9%) and cantaloupes as having one of the largest price increases (20.9%).

When looking at groupings of foods, fish showed the most significant increase (9.2%) and grain products showed a moderate increase (2.1%). Vegetable and fruit categories showed the most variability with decreases seen in dark green vegetables and fruit (-6.3%); and orange vegetables and fruit (-1.7%); but a moderate increase in other vegetables and fruit (3.7%).

At 1.4%, the increase is smaller than expected, and may seem surprising given the plenitude of media reports in early 2016 that focused on escalating food prices. The Consumer Price Index (CPI) for Ontario also shows a moderate increase (1.6%) in the cost of food purchased from May 2015 to May 2016. This is a much lower increase than one observed in 2015 (4.2%) and the smallest year-over-year food price gain since March 2014. While the NFB and CPI are not directly comparable, both show a similar trend of decelerated, but continued increases in food prices. The CPI reports on Ontario prices and this NFB reports on Toronto prices. The CPI also includes a broader array of foods, such as snack and processed foods.

While some may take the decelerated increases as a sign that food prices are levelling off, a future of unstable prices is being forecasted. Volatile prices are predicted, especially for vegetables and fruit, primarily due to climate change, fluctuations in the Canadian dollar, and the subsequent effect of these on prices of imports. As the upward trend continues, the largest impact of unstable food prices will most likely be felt by low income households, as they will be unable to cope with unpredictable rises in expenses.
Food insecurity and health
Food insecurity can be characterized as an inadequate or insecure access to food as a result of financial constraints. How one experiences food insecurity varies and may range from individuals living with fear of running out of food, choosing less healthy and inexpensive foods, to missing meals and experiencing hunger. In Toronto, one in eight households experiences food insecurity (12.6%). We also know that 64.0% of Ontario households on social assistance are food insecure and 58.9% of food insecure households have employment. At a national level food insecurity is most prevalent in households with children, especially those headed by single mothers.

Healthier diets have been shown to cost more. However, while higher food prices contribute to food insecurity at a household level, food costs are only one of many basic expenses that low-income households struggle to pay for. The reality for many is that the food budget is often sacrificed to pay for other necessities such as shelter, childcare, and utilities, leaving little or no money to pay for food, and households also report changing their purchasing behaviours and this may result in reduced variety, quantity and nutritional quality of foods purchased.

Food insecurity is a public health issue because it is very closely linked to negative health outcomes. These include poor mental and physical health, greater risk of chronic diseases (heart disease, diabetes, high blood pressure, etc.) and nutrient inadequacies. Children in food insecure households may also experience long-term health impacts with increased risk of asthma, depression and suicidal ideation later in life. Food insecurity puts a financial strain on the Ontario health care system as health care costs for those most food insecure are up to 121% higher than for those who are food secure.

Socio-economic trends
In Toronto, one in five adults and more than one in four children live in poverty. That represents 374,530 adults and 101,260 children in Toronto. For comparison, the incidence of low-income in the City (19%) is higher than in Canada (14.9%), Ontario (13.9%) and the rest of the Greater Toronto and Hamilton Area (11.5%). With respect to unemployment, the City's rate at 8.2%, is higher than the provincial and national averages and the youth unemployment rate sits at 21.6%. The trend in job opportunities appears to be in the direction of precarious employment. Full-time, well-paying jobs are being replaced by temporary, part-time and contract positions which are characterized by low wages, lower security and limited or no benefits. In 2015, 24.1% of jobs in Toronto were part-time, which is an increase from 11% in 1984.

In 2014/2015, there were 896,000 visits to Toronto food banks, and it is reported that 65% of those who access them rely on social assistance. The demand is 12% higher today than it was in 2008 at the time of the recession. Food banks are also noticing that people need their services for longer periods of time, with average length increasing from one to two years. While the numbers reported here are quite substantial, it should also be noted that research indicates that less than 25% of those who experience food insecurity actually access food banks.
The cost of living in the city has risen steadily between 2008 and 2015, with increases in public transit (36%), child care (30%), and rent (13%). Working full-time hours at a minimum wage does not guarantee the workers the ability to afford basic expenses, including food. This is evident in the high proportion of food insecure households that have employment, as mentioned above.

Affordable housing in the city is lacking, with rent costs rising faster than social assistance payments and minimum wage rates. Those on social assistance find it most challenging to afford a place to live in Toronto. While rent-g geared-to-income housing can help relieve financial pressures for households, the demand for it is much higher than the supply, with over 82,400 Toronto households on a waiting list.

Reducing food insecurity
For the most part, the response to food insecurity has been a charitable food model, such as food banks. However, there is no indication that a charitable model has or will be able to significantly reduce food insecurity. An income response, however, can be an effective solution. Most recently, Dietitians of Canada released a position statement and within it state that "All households in Canada must have sufficient income for secure access to nutritious food after paying for other basic necessities." The Ontario Society of Nutrition Professionals in Public Health also released a position statement in support of an income response. A stronger income security system will enable everyone to have the financial resources to acquire affordable, sufficient, safe, nutritious and culturally-acceptable food. Research supports policies that improve material circumstances of vulnerable populations as a way to alleviate the problem.

Income security in Ontario
Related to the discussion of income security, recent changes to minimum wages, certain benefits and social assistance programs, as well as a new income security model currently under investigation are briefly explored below.

Wages
With respect to the general minimum wage, regular increases have been seen since 2004 and in 2014 they were tied to the Ontario Consumer Price Index through the Stronger Workplaces for a Stronger Economy Act. While this is a positive step, the current increases still do not provide individuals with adequate incomes to address food insecurity.

Canada Child Benefit
Progress was recently made at the federal level, with the introduction of the new Canada Child Benefit (CCB) in July 2016. The CCB replaces the previous system of child benefits and is a monthly tax-free payment, tied to total income, for families with children under the age of 18. This is an example of a policy that has the potential to improve the financial situation of Canadian families struggling with high costs associated with raising children. However, as the costs of childcare, housing, food and transportation continue to rise, it is yet to be determined what impact, if any, CCB will have on food insecurity. Furthermore, other vulnerable populations not eligible for this
benefit, especially single individuals on social assistance, will continue to experience health and income disparities, including food insecurity.

**Social Assistance Rates**

Social assistance rates were cut by over 21% in 1995 and increased only marginally since 2003. In June of this year, the provincial government committed to a review of social assistance programs by establishing an Income Security Reform Working Group. The group will guide the province's efforts to reduce poverty, by "building on work already underway and provide advice on social assistance reform, income security, and supports for housing, health and employment". It is uncertain as to what changes may come out of the Income Security Working Group and when they may be implemented.

**Old Age Security and Guaranteed Income Supplement**

An example of an existing policy that has shown positive benefits both in relation to poverty and food insecurity is the federal Guaranteed Income Supplement (GIS). GIS is a monthly non-taxable benefit available to Old Age Security (OAS) pension recipients, 65 years and older. Statistics show that the rate of Canadians experiencing food insecurity among those aged 65 to 69 years is half the rate among those aged 60 to 64. But even with this policy there is room for improvement, and some researchers indicate that elderly people living alone, especially female, would benefit from increases to GIS rates.

**Basic Income Guarantee**

The Ontario government, in its 2016 Budget, announced a basic income guarantee pilot. "Basic income, or guaranteed annual income, is a payment to eligible families or individuals that ensures a minimum level of income. Ontario will design and implement a pilot program to test the growing view that a basic income could help deliver income support more efficiently, while improving health, employment and housing outcomes for Ontarians." While this exploratory work is in very early stages, and future outcomes or implications of such policy for vulnerable populations are uncertain, past Canadian research indicates that its implementation may have positive gains for individual health and healthcare sector savings.

As the province announces stakeholder engagement on the basic income guarantee model, potentially in the fall of 2016, there may be opportunities for input to shape the design and implementation of the pilot.

**Future of NFB**

The NFB, when used in relation to incomes of vulnerable households and other basic expenses, is a powerful tool that can demonstrate the risk of food insecurity. Having said that, the NFB survey can benefit from revisions to increase its accuracy with respect to estimating food costs. The last time the NFB was revised was in 2008. Given the current initiative of modernizing the Ontario Public Health Standards there is an opportunity to embark on the process of modernizing the Nutritious Food Basket. While the tool is a great resource there are aspects of it that can be improved upon:
• Inclusion of ethno-culturally appropriate foods in the survey. This could be accomplished by adding foods as part of the list of 67 foods or developing an optional module that could be implemented at the discretion and according to the needs of local health units
• Inclusion of commonly used pre-packaged foods to better reflect the consumer food practices and behaviours
• Inclusion of commonly used food packaging sizes and food names, that are more reflective of the current food retail environment trends

CONCLUSION
Food insecurity is a serious public health issue which impacts both physical and mental health. An income response is required to effectively address food insecurity. Efforts that focus on coordinated action, especially policy and upstream approaches, are most likely to bring about positive outcomes and lead to improved health and elimination of health inequities in the City of Toronto.

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SIGNATURE

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Dr. Barbara Yaffe
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ATTACHMENTS

1. Nutritious Food Basket Scenarios - May 2016
2. Weekly Cost of the Nutritious Food Basket in Toronto - May 2016
REFERENCES


40 City of Toronto: TO Prosperity: Toronto Poverty Reduction Strategy. 2015.


