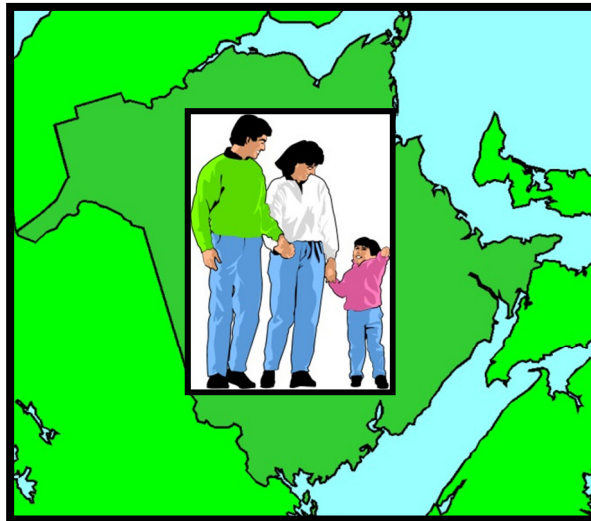


EXECUTIVE SUMMARY

IMPACT OF FOOD PRICE INCREASES ON LOW-INCOME NEW BRUNSWICKERS



Summary of a survey on the cost of food in
New Brunswick in July and August 2010

Contact:

Common Front for Social Justice
96 Norwood Ave., # 314
Moncton, NB E1C 6L9

Tel. (506) 204-1134

fcjsnb@nbnet.nb.ca
www.frontnb.ca

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The Common Front for Social Justice Inc. has surveyed 12 different grocery stores belonging to three New Brunswick chain stores, namely Sobeys, Superstore and Coop. We carried this out in Saint John, Moncton, Miramichi, Tracadie, Lamèque and Rogersville.

We used the method developed by Health Canada and selected the recommended 66 food items which represent a “bare bone” nutritious diet. We did not include processed food, snack foods, restaurant or take-out foods nor such items as soap, etc. Food cost is based on the assumption that people have the necessary cooking skills to prepare most meals from scratch.

The findings

Food store prices

Sobeys is the store where the prices were the highest, followed by Superstore (except Miramichi) and then Coop (except Lamèque). Price differences were not large.

Taking into account the specials of the week in the different stores, the range of prices for the 66 items in the food basket in the **Sobeys** stores were the highest in Moncton, at \$262.44, followed by \$261.59 in Saint John. However, prices at the Miramichi Sobeys was lower at \$254.09. As for the **Coop** stores, the most expensive one was in Lamèque at \$258.42 but lower food prices were observed at the Moncton Coop, at \$249.56. At the **Superstore** in Moncton, the price of the 66 food items came to \$261.79 while at the Miramichi Superstore was somewhat lower, at \$248.57. The difference in price between these chain stores is not very large.

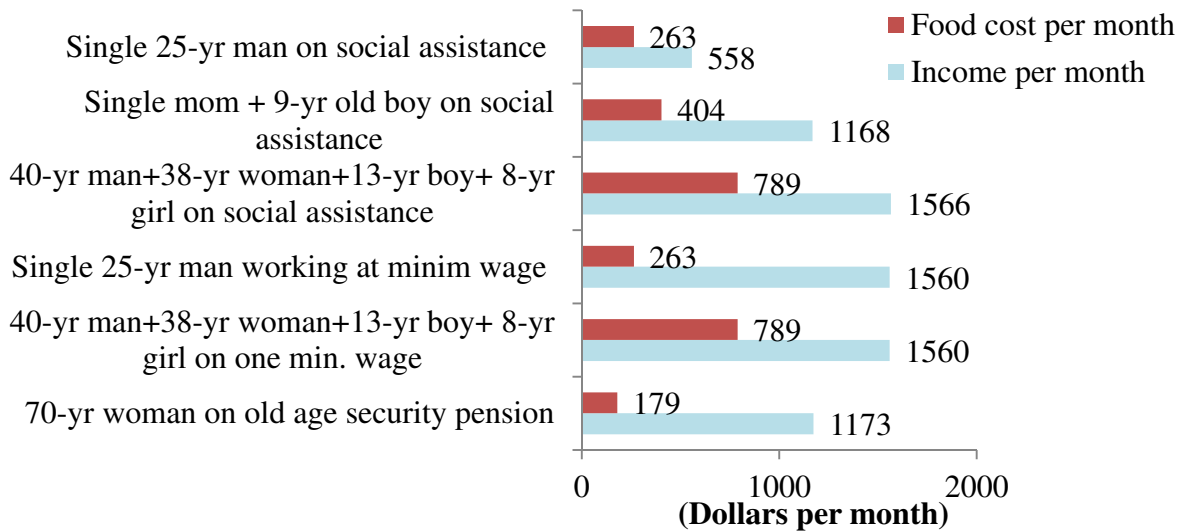
We did not find any noticeable differences in price between urban and rural areas.

High cost of a healthy diet

Comparison between income and food cost

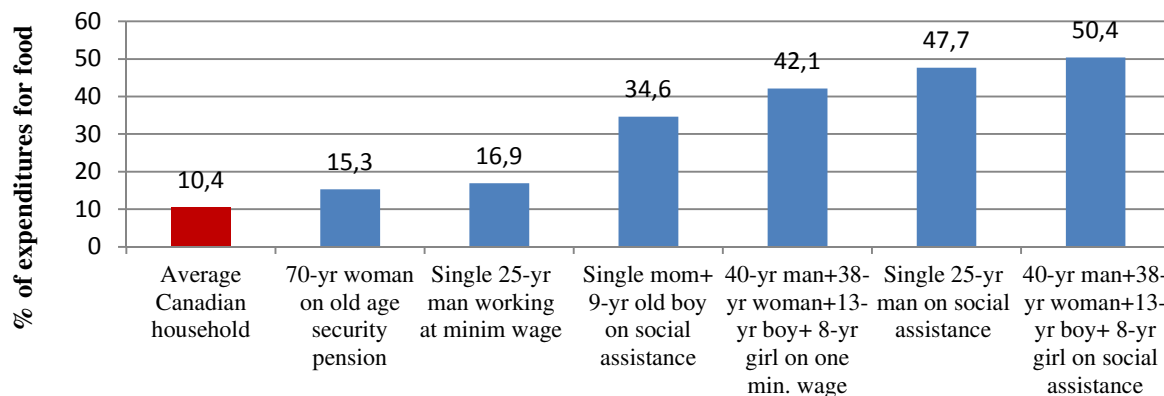
We believe that this is the most important aspect of our survey. We calculated what was the percentage of total income which goes for food for various types of households (See Figure 3). Incomes of certain households with limited means are presented in Annex B.

Figure 3. Some monthly incomes and 2010 food cost in NB



Statistics Canada reports that in 2008, of the total expenditures made by Canadian households, the portion attributed to food averages 10.4%. We found that New Brunswickers are paying a much more than that (See Figure 4). We have focussed on three categories of citizens: minimum wage workers, social assistance recipients and seniors receiving the guaranteed income supplement.

Figure 4. Food expenditures made by certain social assistance recipients, minimum wage workers and seniors



A 70-year old woman receiving the guaranteed annual supplement has to spend 15.3% of her income on food. A 25-year old minimum wage worker must spend 16.9% and if he is the sole breadwinner and has a partner and two kids, it comes to 42.1%. A 25-year old man on social assistance will pay 47.7%; a single mom with a 9-year-old boy will spend 34.6% and a couple with two children will need 50.5% of their income for food.

Dramatic increases in food prices

Major increases in food prices occurred between 2006 and 2010. We were able to compare the average price of 49 food items surveyed in three Saint John stores in 2006 and 2010 (Table 1).

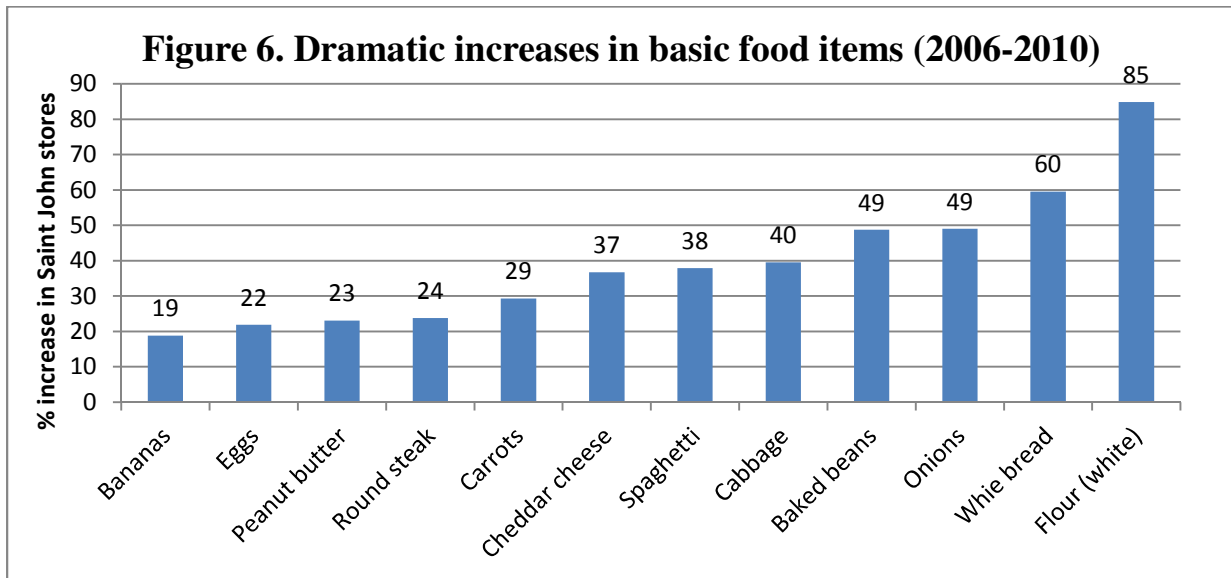
Changes in price for 49 items in three Saint John stores between 2006 and 2010

Product category	2006 price (\$)	2010 price (\$)	% price difference	Product category	2006 price (\$)	2010 price (\$)	% price difference
Dairy products				Vegetable products			
Milk, 4 L	6.40	6.88	7.5	Lettuce, romaine, kg	4.39	3.42	-22.1
Yoghurt, 750 g	2.73	3.52	28.9	Cucumber, kg	2.02	1.61	-20.3
Cheese Cheddar, 200 g	2.94	4.02	36.7	Potatoes, white, 10 lbs.	5.46	4.99	-8.6
Cheese slices processed 500 g	3.09	4.35	40.8	Broccoli, kg	3.85	3.83	-1.0
Cheese, Mozzarella, 200 g	2.83	4.02	42.0	Rutabaga (turnip), kg	1.59	1.65	3.8
				Vegetable mix frozen, kg	2.62	2.90	10.7
Protein-rich products				Celery, kg	2.65	3.07	15.8
Chicken legs, kg	6.46	5.86	-9.3	Tomato, red, raw, kg	3.97	4.61	16.1
Hamburger, kg	7.77	8.06	3.7	Carrots, kg	1.50	1.94	29.3
Pork chops, kg	8.28	8.69	5.0	Cabbage, kg	1.14	1.59	39.5
Fish fillets frozen/400 g	4.46	4.80	7.6	Onion, kg	2.04	3.04	49.0
Sliced ham, 175 g	1.72	2.03	18.0	Corn, canned per 341 ml	0.68	1.09	60.3
Eggs per dozen	2.15	2.62	21.9	Tomato canned per 796 ml	0.93	1.62	74.2
Peanut butter, 500 g	2.51	3.09	23.1	Pepper, green, raw, kg	3.26	6.22	90.8
Round steak, kg	8.69	10.68	23.8				
Baked beans, 398 ml	0.82	1.22	48.8	Grain products			
Tuna, 170 g can	0.80	1.62	102.5	Oatmeal, 1 kg	2.22	2.33	5.0
				Spaghetti, 900 g	1.34	1.84	37.3
Fruit				Rice white long grain, 900 g	1.69	2.41	42.6
Apples, kg	3.79	2.73	-28.0	Flour whole wheat, 2.5 kg	3.29	4.81	46.2
Pears, kg	4.02	3.98	-1.0	Bread white enriched, 570 g	1.63	2.60	59.5
Grapes, kg	3.42	3.60	5.3	Hamburgers rolls (8)	1.28	2.08	62.5
Bananas, kg	1.65	1.96	18.8	Soda crackers, 450 g	1.56	2.82	80.8
Orange juice frozen, 355ml	1.13	1.36	20.4	Flour white all-purpose 2.5 kg	2.79	5.16	84.9
Oranges, fresh: 1	2.77	3.58	29.2	Bread whole wheat, 675 g	1.45	2.93	102.1
Raisins seedless, 750 g	2.96	5.02	69.6				
Apple juice can, 1.36 L	1.09	2.00	83.5	Fats and oil			
				Mayonnaise type, 475 ml	2.42	2.56	4.1
				Margarine non-hydrogenated, 454g	3.58	4.09	14.2
				Canola oil, 1.89 L	4.49	5.83	29.8

Note: Food items whose price rose by more than the Consumer Price Index (6.57%) appear in bold.

We were fortunate to access the 2006 data thanks to Martha MacLean, a Saint John nutritionist.

Of the 49 items which became the basis of our comparison, there were noted price increases in many of them. Twelve of these, foods often chosen low-income consumers, are shown in figure 6.



- The price of milk is controlled under the N.B. Natural Products Act so its price increase parallels inflation. Other dairy products rose by 28.9% to 42%.
- Protein-rich foods followed a similar increase, with eggs at 21.9% and canned tuna at 102.5%
- Fruit, especially juices, saw marked price increases
- Vegetables showed more price variability. In season fresh vegetables such as romaine lettuce and cucumber were actually cheaper in 2010 than in 2006. However, 9 out of the 14 vegetables surveyed had gone up in price. Carrots, cabbage and onions went up by 29.3%, 39.5% and 49.0% respectively.
- Grain products rose considerably in price: spaghetti by 37.3%, rice by 42.6%, whole wheat bread by 102.1%

Recommendations

We are making five recommendations to the government and to the food industry.

1 SOCIAL ASSISTANCE RATES

RECOMMENDATION N° 1

**Add, by April 2011, a monthly food supplement for social assistance recipients by:
1.1 Providing to all adults on social assistance a \$100-per-month healthy food supplement.**

- 1.2 Providing an additional \$35 per month per child to all households with children who are receiving social assistance (this is the amount currently required to cover one week of food for a boy or a girl aged 4 to 8).
- 1.3 Indexing these food supplements to the cost of living.
- 1.4 Stipulating that these food supplements will not trigger a rent increase for social assistance recipients living in subsidized housing.

6.2 INADEQUACY OF MINIMUM WAGE IN NEW BRUNSWICK

RECOMMENDATION N° 2

Based on average expenses for households of one and more members, have the N.B. government calculate what would be a “living wage” for workers and plan its gradual implementation within two years.

6.3 LOW INCOME SENIORS

Add, to the 2011 provincial government’s budget, an additional \$100 to the current \$400 supplement forwarded to seniors receiving the guaranteed income supplement; this would bring the supplement up to \$500 per year.

6.4 NEW BRUNSWICKERS EXPERIENCING FOOD INSECURITY

RECOMMENDATION N° 4

Improve the nutritional quality and the standards of N.B. food banks by doing the following:

- 4.1 Provide a more generous and a more stable funding to food banks and soup kitchens for the period of time that the poverty level remains high in N. B.
- 4.2 Re-examine the administrative structure of Food Bank and Soup Kitchen’s Board of Directors and ensure that there are some representatives of food bank users and of soup kitchen users on their respective Boards of Directors.
- 4.3 Request that food bank Directors ensure that their staff and volunteers discard the donated food which has started to spoil or which is way past its “Best by” date.
- 4.4 Request that each food bank and soup kitchen personnel enforce all provincial health regulations and policies; they should have to follow the quality control procedures and good hygienic practices mandatory in all food service establishments.
- 4.5 Recommend that food banks and soup kitchens offer a greater variety of nutritious food and avoid serving stale food; in the long run, this will pay off

as it will improve the health status of people living in poverty and reduce provincial health care costs.

4.6 Organize training sessions to increase the ability of food bank clients to prepare a wider variety of foods, learn to read nutrition labels, learn about simple new recipes, etc.

6.5 COLLABORATION BETWEEN GOVERNMENT, THE PRIVATE SECTOR AND THE MEDIA

RECOMMENDATION N° 5

5.1 Request the New Brunswick Farm Product Commission to exercise its power to investigate the selling price of meat, eggs, poultry, milk, dairy products, fruit and vegetable products when grocery stores increase their prices by more than 10% above the Consumer Price Index.

5.2 Increase the voice of consumers on the New Brunswick Farm Products Commission by requesting that the government nominate two additional members to this nine-member Board. The selections criteria for these consumer representatives should be based on their knowledge of nutrition and their concern for food security for all New Brunswickers.

5.3 Request that grocery stores stop using, in their promotion flyers, food items with little or no other nutrients except calories.

5.4 Request that in the placement of food items in stores, owners emphasize the most nutritious foods by making them more easily accessible.

5.5 Encourage the media to promote good nutritional habits as well as the concept of food security in New Brunswick.

7. ACKNOWLEDGEMENTS

Special thanks are expressed to the following CFSJ team members who carried out the surveys: Jean-Claude Basque, Peter Borden, Auréa Cormier, Joanne Daigle, Krista Davis, James LeBlanc, Linda McCaustlin and Johanne Petitpas. We also want to thank two non-CFSJ members from the Acadian Peninsula who assisted the team.

The CFSJ is very grateful toward Martha MacLean who graciously shared some of the Saint John Data recorded in 2006.

United Way secretarial assistance was graciously offered for data entry and translation.

For information:

Auréa Cormier - (506) 204-1134; aureacormier@rogers.com

Jean-Claude Basque – (506) 389-1578

ANNEX A

Cost of feeding a specific household in 2010 based on a survey of 12 stores

The methodology of the National Nutritious Food Basket provides a template to calculate the cost of a diet based on Canada’s Food Guide to Healthy Eating. No pre-packaged convenience foods or restaurant food are included in the list of 66 food items intended to maintain an adequate nutritional status for various age groups. Food cost for infants less than two years is not given as there are no recommendations for that age group. It is assumed that the Body Mass Index of individuals is normal and that their level of activity is “low active”. Food cost for males and females of varying ages are presented in Table 1.

Table 1. Cost of a healthy diet based on food prices in 12 grocery stores in July-Aug 2010

Sex	Age (years)	Cost per week (\$)	Cost per month (\$)*
Male	2-3	27.46	118.90
	4-8	35.04	151.72
	9-13	45.85	198.53
	14-18	63.13	273.35
	19-30	60.84	263.44
	31-50	55.24	239.19
	51-70	53.37	231.09
	Over 70	52.80	228.62
Female**	2-3	26.95	116.69
	4-8	34.02	147.31
	9-13	39.56	171.29
	14-18	46.75	202.43
	19-30	47.48	205.59
	31-50	47.03	203.64
	51-70	42.20	182.73
	Over 70	41.38	179.18

* Because of the months with more than 28 days, the multiplier 4.33 is used to obtain the monthly cost.

**Pregnant mothers’ food cost/week goes from \$50.85 to \$52.13 and lactating mothers, from \$53.63 to \$54.91.

ANNEX B

Calculations for the 2010 monthly income of six types of households

Type of household	Income per month from social assistance or salary	Basic child and family benefits	National child benefit supplement	NB Child tax benefit	GST credit (monthly equivalent)	Total monthly Income
Single employable person on social assistance	\$537.00	0	0	0	\$20,83	\$557.83
Lone parent with one child on social assistance	\$808.00	\$112.33	\$174.00	\$20.83	\$52.58	\$1,167.74
Couple with two children on social assistance	\$908.00	\$224,66	\$328.00	\$41,66	\$63.50	\$1,565.82
One individual working at minimum wage	\$1,560.00	0	0	0	\$31.75	\$1,591.75
Two-member household but with only one minimum wage salary	\$1,560.00	0	0	0	\$41.67	\$1,601.67
Senior's on old age security + guaranteed income supplement	\$1,172.98	0	0	0	\$30.80	\$1,203.78

References used to arrive at the above calculations

- Social Assistance Rates in N.B.: Published in the Social Assistance Policy Manual.
- Minimum wage in New Brunswick: set at \$9.00 per hour as of September 1st, 2010.
- Seniors old age security plus guaranteed income supplement: information taken from www.servicecanada.gc.ca/eng/isp/oas/oasrates.shtml. Senior's Old Age Security Pension maximum is \$518.51 while the maximum Guaranteed Income Supplement is \$654.47.
- 2010 Basic child and family benefits: the CFSJ was guided by the National Council on Welfare to the Revenue Canada website: www.cra-arc.gc.ca/bnfts/cctb/cctb_pymnts-fra.html
- The National Child Supplement for New Brunswick was obtained with the CCTB Online Calculation for the period July 2010 to July 2011.
- The New Brunswick Child Tax benefit was obtained with the CCTB Online Calculation for the period July 2010 to July 2011.
- The GST credit was obtained with the GST/HST credit calculator for New Brunswick using the period of July 2010 to June 2011.