

Policy Brief: Time to regulate food prices like a utility

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Wellesley Institute advances population health and reduces health inequities by driving change on the social determinants of health through applied research, effective policy solutions, knowledge mobilization and innovation.

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Acknowledgement of Traditional Land

We wish to acknowledge this land on which Wellesley Institute operates. For thousands of years, it has been the traditional land of the Huron-Wendat, the Seneca and the Mississaugas of the Credit. Today, this meeting place is still the home to many Indigenous people from across Turtle Island and we are grateful to have the opportunity to work on this land.

Policy Brief

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Executive Summary

Access to affordable, healthy food is a health equity issue and immediate action is needed to improve health, health equity and affordability in Canada. Although poverty has decreased, food insecurity is increasing. This is due to rapidly increasing food costs and increases in other costs that households cannot reduce, such as rent. Canadians simply have less money with which to buy healthy food.

**“ACCESS TO AFFORDABLE,
HEALTHY FOOD IS A
HEALTH EQUITY ISSUE.”**

Wellesley Institute recommends the Government of Canada set a price for a basket of nutritious food at a level which every household can afford and require grocers to make that basket available, at that price or below, in every region of the country.

Introduction

Wellesley Institute is a non-profit and non-partisan institute that works in research and policy to improve health and health equity across the Greater Toronto Area so that health and wellness are shared equally by all.

Access to affordable, healthy food is a health equity issue and immediate action is needed in Canada. Policy leaders must take measures to ensure that nutritious, healthy food is affordable for everyone in Canada. This brief provides recommendations to the Government of Canada to address rising food insecurity and to take steps to ensure that food is treated like a utility.

Issue

Food is an [indispensable part](#) of good health. Access healthy food has been an enormous challenge for many Canadians for far too long. Data from Statistics Canada shows that [18 per cent of families](#) in Canada reported experiencing food security in 2022. In Toronto, [one in 10 people](#) relied on food banks in 2023 due to rising poverty driven by increased housing costs, inflation, and insufficient wages and income supports. [More than 800,000 people in England](#) and Wales were admitted to hospital with malnutrition and nutritional deficiencies last year, a threefold increase from a decade before. Included in these numbers are hundreds of cases of scurvy and rickets.

TIME TO REGULATE FOOD PRICES LIKE A UTILITY

For many years, food insecurity has been viewed as a function of poverty. Advocates for food security shifted their focus to income security, reasoning that, through increases to welfare programs, individuals and families would have more disposable income to afford the food they need to be healthy. However, recent data has shown food insecurity breaking away from poverty. Even as poverty has been, and must continue to be, reduced, food insecurity has increased. We need a new approach that ensures healthy food is affordable to everyone in Canada.

Implications for Health Equity

We recognize the federal government's important efforts to address poverty, including through [expanding the child tax credit](#) and introducing the [grocery rebate](#). Although food security is linked to income, the links are not simple and straightforward strategies to increase the money that lower-income people have may not reach everybody who needs help to afford healthy food.

As food insecurity increases, means-tested programs such as these will increasingly miss some of those who need it, including those who are in the middle-income range, who are going hungry, or seeing other aspects of their lives affected by rising food costs. Means-testing, at least by the methods commonly used in Canada, also misses [individuals who do not file a tax return](#) or who struggle to meet eligibility criteria for many reasons.

ADDRESSING FOOD INSECURITY SOLELY THROUGH INCOME MISSES AN IMPORTANT POINT.

Finally, attempting to address food insecurity solely through income misses an important point about food costs and their relationship to other necessities. Food and healthy eating are sometimes considered optional whereas other necessities are not.

Recommendations

Wellesley Institute recommends the federal government¹ move swiftly to approach food from the bottom up, and put health, affordability and nutrition first. Nutritious food is critical for health and should be regulated to ensure affordability just like other utilities such as water and electricity². It is now clearer than ever that it cannot be left to an unfettered market any more than other utilities.

To that end, the government should take advantage of its established [National Nutritious Food Basket](#)³. It should calculate how much this should reasonably cost for low-income households⁴. Then, like other utility providers such as water and electricity companies, grocers should be required to make the foods from that basket available to everyone in Canada at the set price.

A new corporate food tax could be set at a level that recaptures from any corporations who fail to comply all profits on sales made from prices above what the government sets⁵.

¹The federal government is constitutionally empowered to act in this area under its taxation power, particularly as it is reasonable to connect unaffordability in these items to a failure of market competition and given joint federal-provincial authority over agriculture. A national solution is also desirable to ensure mobility between regions and provinces. However, provincial authority over property and civil rights could also be exercised to address this issue. Should the federal government act, we recommend it leaves room for stronger provincial action to lower prices or include more items to replace a federal minimum. Should the federal government fail to act, we encourage provincial governments to step in.

²For reference, note that the government of France has [moved to require food prices are negotiated](#) each year.

³Although it should not delay implementation of making the current basket affordable to all, the government should enter into consultations with cultural communities to ensure the basket fully reflects all their needs.

⁴This should include consideration of all household sizes, including single adults, and their real-world access to benefits.

⁵One potential alternative approach could be to increase taxes on unhealthy food, while subsidizing nutritious food. Some steps in this direction could benefit public health. However, if considered, it would be necessary to ensure that the “tax and subsidize” approach is pursued aggressively enough to ensure Canada’s lowest income households can afford the food they need to be healthy.

Grocers would also be required to ensure reasonable availability of the items in the basket^{6,7} and be subject to meaningful, escalating and scaled-to-gross-income fines for non-compliance. They would still be able to sell most items, including higher-end versions of those essentials, at whatever prices the market could bear.

By requiring grocers to provide enough nutritious food at a price the lowest income households can afford, every single person in Canada would benefit. They would have access to those items should they choose to consume them. They would reap the benefits of a healthier society, as nutrition levels went up. They would enjoy a stronger economy in which those accessing the basket goods had more to spend in other areas (and were closer to thriving).

Canadians could, at long last, feel pride in living in a country where everyone else could afford to eat.

⁶Consideration should also be given to how entities other than households, such as non-profits, access nutritious food for their clients.

⁷Future thinking may be needed around ensuring reasonable and affordable supply.

More about *Thriving*

Wellesley Institute's [Thriving in the City](#) series sets out the resources that are needed to thrive – to live a healthy, meaningful life. Attempting to address food insecurity solely through income misses an important point about food costs and their relationship to other necessities.

Many of the costs outlined in the Thriving series are what we commonly view as optional, or elastic, such as social engagement, charity or occasional travel. However, our research demonstrates these costs are necessary to maximize health and address health inequities.

In contrast, costs such as housing, electricity and transportation to work are generally viewed as necessary, or inelastic. This may help explain the increase in food insecurity. It's not just food costs, it's that food costs are something that households can cut back on.

Rent and mortgage payments – inelastic costs – have to be paid. Food can be, sadly, negotiable.

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