

Lives are on the line' as changes needed for Nutrition North, argues researcher

'These stores really have us in the palm of their hands,' says University of Toronto's Tracey Galloway

By Elyse Skura, [CBC News](#) Posted: Dec 04, 2016 7:00 AM CT Last Updated: Dec 04, 2016 12:39 PM CT

Tracey Galloway, a researcher from the University of Toronto, says the Nutrition North program is not effective and there need to be significant changes. (Elyse Skura/CBC)

A Toronto researcher says she hopes the federal government makes some big changes when it finishes its review of the Nutrition North program, stressing that "lives are on the line."

Indigenous and Northern Affairs wrapped up the last of 18 community visits to gather feedback on the five-year-old food subsidy program.

"This matter is urgent," said Tracey Galloway, an anthropologist at the University of Toronto. "It's a matter of people's lives.

"People are frustrated with the high cost of food. They feel they can't support their families or share food with people in their communities," she said.

- [Nunavut's hunger problem: 'We can't pretend it doesn't exist anymore'](#)



On Sept. 27, 2016, a two-litre carton of orange juice was priced at \$12.99. That doesn't count the \$1 federal subsidy provided through the Nutrition North program. (Elyse Skura/CBC)

Galloway has completed an analysis of all public data on Nutrition North and says the program is failing to make food more affordable because of a lack of accountability and strict regulations.

Lack of competition, regulations

Nutrition North provides a two-tiered subsidy for retailers on a list of products the government deems to be nutritious or essential.

The government pays out the subsidy by weight, based on how much food is flown to the North.

With several communities having only one grocery store, Galloway questions the entire format of the program.

"For a retailer subsidy to work, you need a competitive marketplace and you need a strict regulatory framework and we have neither."



(The Canadian Press)

It's a familiar concern, raised by consumers across the North and echoed in the findings of the auditor general, who questioned how the government can know if Nutrition North works since it doesn't collect data on the wholesale cost of food or the retailer's markup.

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- [RELATED: Nutritious to who? Northerners say food subsidy program needs overhaul](#)

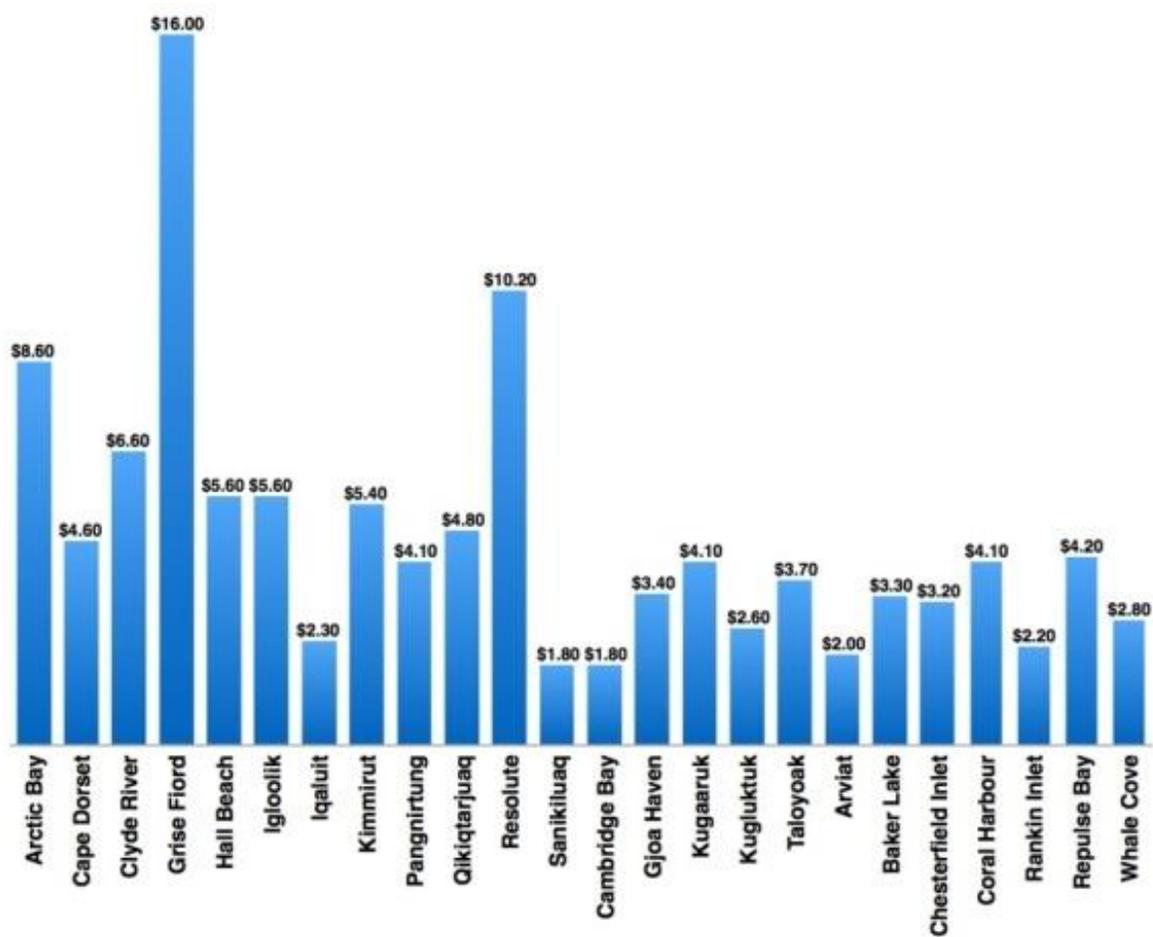
Set price cap, urges researcher

In Galloway's analysis, she looks at the retailers' public filings, as well as the government's Revised Northern Food Basket, which is meant to estimate the cost of feeding a family of four for one week.

"Since implementation in March of 2012 there's really been no change in food costs in communities," Galloway said, adding that there has in fact been a modest increase in food costs over those years.

She says there's a fundamental problem with the program that may be causing this: retailers are not compelled to set prices according to any government-regulated formula.

"These stores really have us in the palm of their hands," she said. "Right now we're handing it to the retailers and we should be handing them to the people."



The higher subsidy for Nutrition North varies across Nunavut communities, from under two dollars per kilogram of food shipped to some hamlets up to \$16 per kilogram in Grise Fiord. (submitted by Tracey Galloway)

For her analysis, Galloway says she discounted an initial drop in food prices the year Nutrition North was implemented, because in the previous year there was no subsidy program in place.

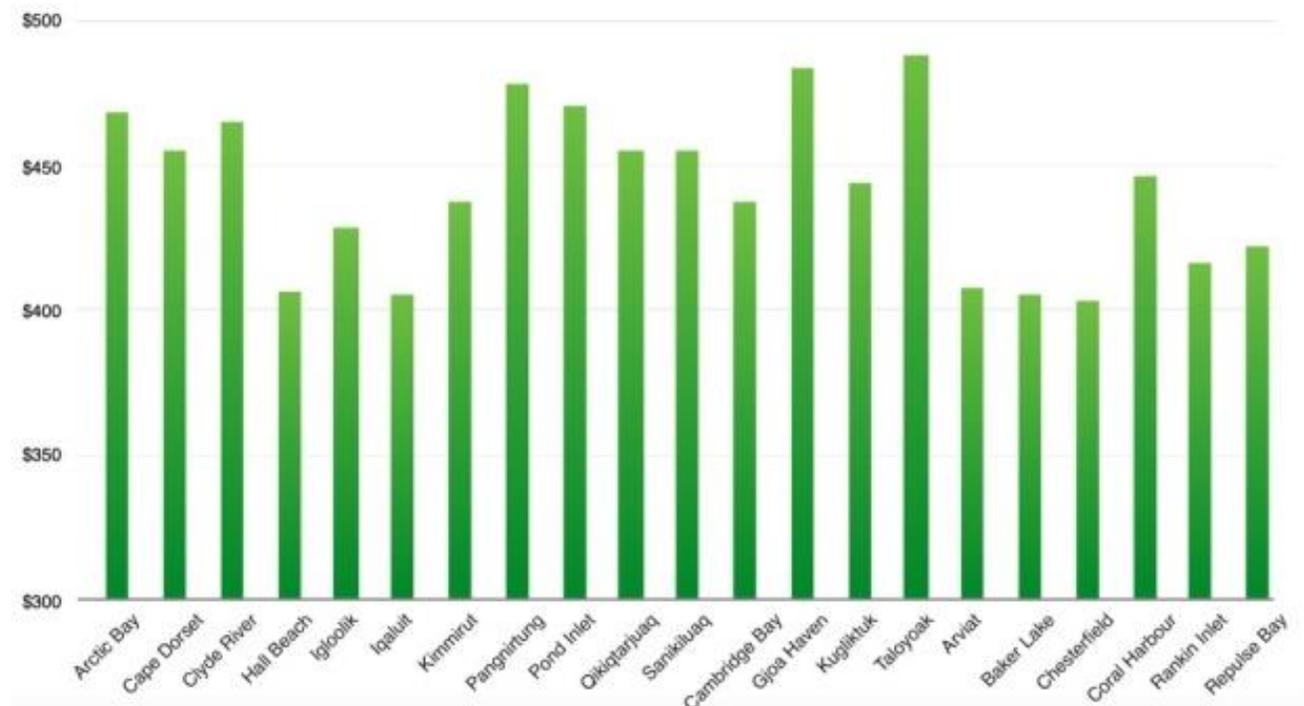
'Room for improvement,' says retailer

The Nutrition North Canada website points to a number of reasons why some communities have had food costs increase, beyond the consumer price index.

Those include inflation and product substitutions that may change the size or weight of foods.

"There are so many factors at play here," said Derek Reimer, the director of business development for the North West Company.

Reimer asserts the company's internal records show prices are still decreasing, but says — as happened in Southern Canada in late 2015 and early 2016 — outside influences like poor growing seasons have an [augmented effect in Northern communities](#).



Tracey Galloway analysed the cost of the federal government's Revised Northern Food Basket in March 2015 and says it's "manifestly unfair" that prices differ so greatly from community to community. (submitted by Tracey Galloway)

However, Reimer says the program does have "room for improvement" and the company has passed on a number of suggestions to the federal government.

"We think one of the more important recommendations from the program is to index subsidy prices to inflation so they would increase over time."

Is increased funding the solution?

The North West Company isn't the only retailer to have suggested a boost to the overall program funding, but Galloway says that isn't the answer.

- [RELATED: Nutrition North budget 'certainly not enough,' says major Northern retailer](#)

"I think additional expansion of the budget to the present program is just going to result in a replication of the same pattern we already see."

The researcher does agree the value of subsidies in each community needs to be revisited, but says changes should be based on more than inflation and revisited at least once a year.

Reimer says he wouldn't object to a fuller review of subsidy rates adding, "depending on the community or location and logistical issues it may be necessary to make more significant or pronounced adjustments."

'We have to get this right'

Indigenous and Northern Affairs Canada has not yet announced what its next steps will be now that its national tour is over.

But Galloway hopes the changes will be swift and significant.

"People's lives are on the line and we have to get this right," she said. "High food prices in the North and unreliable access to nutritious food in communities represents a fundamental injustice in Canada right now, and I think it needs to be addressed immediately."

For Reimer, it's too simple to place the entire burden of addressing food insecurity on retailers. He hopes the government will be looking at ways to improve employment and other issues simultaneously.

Galloway says her research, complete with more recommendations for how to ensure food is fresher and more affordable, is set to be published within the next few weeks.