

Written Submission for the Pre-Budget Consultations in Advance of the 2019 Budget

By: Community Food Centres
Canada



community food centres
CANADA good food is just the beginning

List of Recommendations

- **Recommendation 1:** That the government review the federal system of tax-based supports for low-income Canadians, with a specific focus on making certain non-refundable tax credits refundable, and on increasing the Canada Workers Benefit in subsequent budgets.
- **Recommendation 2:** That the Canada Housing Benefit be designed as a universal program accessible to all Canadians in core housing need, based on household income, household size, and rental costs, and that it be increased in subsequent budgets (post 2020-21).
- **Recommendation 3:** That the government provide funding in the amount of \$1.925 million over five years for a fund delivered through Community Food Centres Canada's Market Greens program to incentivize the consumption of fruits and vegetables.
- **Recommendation 4:** That the government create a cost-neutral fund to invest in healthy eating programs, funded by a manufacturer's levy on sugary drinks. The tax should be excise, based on volume, and increase in rate according to the amount of free sugars per unit contained in sugary drinks.
- **Recommendation 5:** That the government provide funding in the amount of \$2 million over five years to Community Food Centres Canada to build and support Community Food Centres.

About Community Food Centres Canada

Community Food Centres Canada (CFCC) is a national charity that supports Community Food Centres (CFCs) in low-income neighbourhoods where people come together to grow, cook, share, and advocate for good food. Our mission is to build health, belonging and social justice in low-income communities across Canada through the power of food.

CFCC currently supports nine CFCs nationally,ⁱ with three more launching this year,ⁱⁱ and two in development.ⁱⁱⁱ Through our network of CFCs and Good Food Organizations, we are active in 120 communities across Canada.

Across the country, our CFCs serve populations facing significant financial constraints: in 2017, 86% of participants were living below or close to Statistics Canada's low income measure, 76% were unemployed or retired, and 47% received social assistance.

Ensuring competitiveness through inclusive growth

In the face of global uncertainty around trade, and high household debt and soaring housing prices, Canada will need innovative solutions to encourage competitiveness. In Budget 2019, the federal government should focus on fostering inclusive growth for all Canadians, as recently recommended by the OECD.¹

Four million Canadians are food insecure,² threatening their ability to contribute productively to the Canadian economy and weighing down our already overburdened health care system.

Poverty and the resulting food insecurity have deleterious effects on health. People who are food insecure consume fewer servings of fruits, vegetables, and dairy products and have lower vitamin intakes, leading to higher rates of diet-related illnesses such as heart disease, diabetes, and hypertension.³ In Ontario, annual health care costs are 49% higher for adults living in moderately food insecure households and 121% higher for adults living in severely food insecure households.⁴

Food insecurity also negatively impacts mental health and can increase the incidence of depression, suicidal thoughts, and mood and anxiety disorders. People living in food insecurity account for more than one-third of mental health-related hospitalizations.⁵

Reports show that accessing nutritious food is a significant challenge for low-income Canadians.^{6,7,8} Unhealthy diets cause heart disease, stroke, hypertension, diabetes, obesity, high cholesterol, mental disorders and up to 40% of cancers.⁹ Unhealthy diets are the leading risk factor for death and disability in Canada, leading to more than 50,000 deaths, 890,000 years of disability and 710,000

ⁱ The Stop CFC (Toronto, ON), Regent Park CFC (Toronto, ON), The Table CFC (Perth, ON), The Local CFC (Stratford, ON), Hamilton CFC (Hamilton, ON), NorWest Co-op CFC (Winnipeg, MB), The Alex CFC (Calgary, AB), Dartmouth North CFC (Dartmouth, NS), The Depot CFC (Montreal, QC)

ⁱⁱ Nelson CFC (Nelson, BC) Mont Paul CFC (Kamloops, BC), Natoaganeg CFC (Eel Ground First Nation, NB)

ⁱⁱⁱ Food4Good CFC (Edmonton, AB), Qajukturvik CFC (Iqaluit, NU)

years of life lost.¹⁰ Diet-related diseases cost Canadians \$26 billion per year in direct and indirect health care expenditures.¹¹

Increasing income has been shown to decrease food insecurity. For example, a Canadian study found that once reaching the age of 65 and gaining eligibility for Old Age Security and the Guaranteed Income Supplement, people's risk of food insecurity declined by 50%.¹² Similarly, food insecurity rates among social assistance recipients in Newfoundland and Labrador decreased by nearly half between 2007 and 2012, following an increase in income support rates.¹³

Our recommendations are focused on decreasing food insecurity by increasing income and housing security, and on increasing healthy eating. By providing more support to the people who need it and encouraging healthy lifestyles, the federal government can ensure that all Canadians are included in a growing and competitive economy.

Community Food Centres Canada's Recommendations for Budget 2019

While there have been many steps forward to assist low-income Canadians, through the creation of the Canada Child Benefit, the National Housing Strategy, and the Canada Workers Benefit, more action is needed to support the 4.8 million Canadians living in poverty and the four million Canadians living in food insecurity.

CFCC therefore recommends a review of tax-based supports for low-income Canadians, with a specific focus on:

- **Making certain non-refundable tax credits refundable - specifically the basic personal amount, which could increase the incomes of people struggling to make ends meet by up to \$1,745.25, and the disability tax credit, which could increase the incomes of Canadians with disabilities, 23% of whom live under the low income measure,¹⁴ by up to \$1,216.95.**
- **Increasing the Canada Workers Benefit in subsequent budgets.**

A recent survey of Toronto food bank users¹⁵ found that, as a "flexible" expense, food is often the first basic need people living in poverty will forego. Rent was the top expense for which meals were skipped. Indeed, after rent and utilities were paid, the average Toronto food bank user had \$7.33 left for all monthly expenses.

The Canada Housing Benefit announced as part of the National Housing Strategy is a welcome support and will make an important difference in the lives of all Canadians who must make the choice between paying for food or rent. To date, many of the 1.7 million Canadian households in core housing¹⁶ need have fallen through the cracks.

CFCC therefore recommends that the Canada Housing Benefit be designed as a universal program accessible to all Canadians in core housing need, based on household income, household size, and rental costs, and that it be increased in subsequent budgets (post 2020-21).

As stated above, unhealthy diets are a significant challenge for Canadians, as well as for our health care system. Diets rich in fruits and vegetables can reduce the risk of heart disease, stroke and some types of cancer.¹⁷ However, only 30% of Canadians aged 12 and older reported eating the recommended number of servings.¹⁸

Research suggests that targeted incentives for low-income populations could help to reduce socioeconomic health disparities by making healthy foods more affordable.¹⁹ Combining healthy food incentives with unhealthy food taxes could be an especially cost-effective and impactful way to reduce deaths due to heart disease, stroke and diabetes.^{20,21}

Fruit and vegetable incentive programs have shown to increase fruit and vegetable intake,^{22,23} lower BMI, and improve food security at the household level.²⁴ A national poll conducted by CFCC in 2017 found that 91% of Canadians support such a program for low-income communities.^{iv}

CFCC therefore recommends that the government provide funding in the amount of \$1.925 million over five years for a fund delivered through Community Food Centres Canada's Market Greens^v program to incentivize the consumption of fruits and vegetables.

While the Healthy Eating Strategy was an important step in improving Canadians' diets, more support is needed. Healthy eating interventions, such as fruit and vegetable incentive programs, could be funded through a levy on sugary drinks, which are the largest contributor of sugar in Canadians' diets²⁵ and are associated with numerous chronic diseases.²⁶

Over the next 25 years, sugary drink consumption will lead to an estimated 63,321 deaths and \$50 billion in direct health care costs. A 20% levy could also generate \$43.6 billion in federal revenue in that time, which could be used to support health promotion programs.²⁷

CFCC therefore recommends that the government create a cost-neutral fund to invest in healthy eating programs, funded by a manufacturer's levy on sugary drinks. The tax should be excise, based on volume, and increase in rate according to the amount of free sugars per unit contained in sugary drinks.

Community Food Centres provide community, healthy food and other important supports for people living in poverty and social isolation:

- 88% of participants say their CFC provides an important source of food.
- 77% have made healthy changes to their diet.
- 69% have noticed improvements to their physical and/or mental health.
- 95% feel they belong to a community.^{vi}

CFCC is looking to expand our national network of CFCs to 20 by 2022, as well as to continue our support of existing CFCs.

^{iv} For more information, see <https://cfccanada.ca/en/Learn/Resource-Library/Resource-Categories/Poll-Canadian-attitudes-towards-issues-of-food-ac>

^v For more information, see <https://cfccanada.ca/en/Our-Work/Programs/MarketGreens>

^{vi} For more information, see our 2017 Annual Report at <https://cfccanada.ca/en/annual-report-2017>

CFCC therefore recommends that the government provide funding in the amount of \$2 million over five years to Community Food Centres Canada to build and support Community Food Centres.

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