



Northwest Territoriesmi

Ihumiurviat Malirutaliatigun

MEETING EDE 119-19-22

STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND ENVIRONMENT

~
THURSDAY, OCTOBER 20, 2022
COMMITTEE ROOM A
10:30 A.M.

AGENDA

1. Prayer
2. Review and Adoption of Agenda
3. Declarations of Conflict of Interest
4. Public Matters
 - a) Panel Discussion on Food security with representatives from Nutrition North Canada, Arctic Co-Op, and the Northwest Company
5. In-Camera Matters
 - a) Wrap-up discussion
 - b) Briefing List
 - c) Confidential Correspondence:
 - i. 2022-09-26 – Minister of FIN
 - ii. 2022-09-26 – Minister of INF
 - iii. 2022-09-14 – Minister of Lands
 - iv. 2022-09-27 – Minister of INF
 - v. 2022-09-28 – Minister of FIN
 - vi. 2022-10-03 – Minister of ITI
 - vii. 2022-10-05 – SCOSD
 - viii. 2022-10-06 – Minister of ENR
 - ix. 2022-10-06 – Minister of Lands
 - x. 2022-10-07 – SCOSD
 - xi. 2022-10-11 - SCOSD
 - xii. 2022-10-12 – Minister of Lands
 - xiii. 2022-10-14 – Minister of Finance

xiv. 2022-10-17 – Minister of ITI

6. Date and Time of Next Meeting: Thursday, October 27 at 10:30am

7. Adjournment



Crown-Indigenous Relations
and Northern Affairs Canada

Relations Couronne-Autochtones
et Affaires du Nord Canada

DRAFT

Nutrition North Canada – Overview

Food Security Panel Presentation to the NWT
Legislative Assembly

October 2022



Canada

1. The NNC Retail Subsidy and Eligibility Criteria



The purpose of NNC's subsidy program is to

- a) improve access and
- b) to make nutritious, perishable foods and other essential items more affordable in northern isolated communities than they otherwise would be.

Eligibility Criteria:

1. lack year-round surface transportation (no permanent road, rail or marine access), excluding isolation caused by freeze-up and break-up that normally lasts less than 4 weeks at a time
2. meet the territorial or provincial definition of a northern community
3. have an airport, post office, or grocery store
4. have a year-round population according to the national census

Subsidy – How does it work?

The NNC retail subsidy works in two ways:

- 1) Grocery store:** When you buy eligible items at a registered grocery store, NNC automatically subsidizes part of the cost. Large stores, such as Northern Store or Arctic Co-op, are required to show NNC savings on the receipts. Smaller stores can access NNC funding in order to update their cash register systems and show NNC savings on the receipt.
- 2) Personal orders:** You can also buy food and other items from suppliers registered with the NNC program that will deliver to your house. Similar to in-store purchases, these suppliers will lower price by the amount of the subsidy for NNC eligible items.

```
Salluit Cooperative Association
Salluit, QC

Sale Tx#XXXXX 2015-03-27 21:35:53
=====
0801200 SELECTION ORIENT 5.89 N
NNC saving: $3.98
1005909 SELECTION APPLE| 6.19 N
NNC saving: $11.47
1001353 POST CEREALS SUG 6.89 N
NNC saving: $2.55
0602267 JALAPENO PEPPER 3.99 N
NNC saving: $0.91
0602249 RASPBERRIES 4.79 N
NNC saving: $1.18
0602001 MAPLE LEAF REGUL 11.59 N
NNC saving: $1.27
1005907 SELECTION ORANGE 2.79 N
NNC saving: $3.65
0604514 NATREL ULTRA TAB 6.09 N
NNC saving: $1.61

Item Count: 8

Subtotal 48.22
Local Tax 0.48
Bottle Deposit 0.00

Total 48.70

Cash 48.70

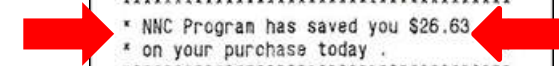
=====
Store: 1 Station: 21 Cashier: 3

Your cashier today was FCNQ

*****
* NNC Program has saved you $26.63
* on your purchase today .
*****

Nutrition North Canada Subsidy:
Level 1: $5.20/Kg Level 2: $3.40/Kg

Original Receipt is required
within 30 days for refund.
```



2. Updates & Expansion:

Introduction of the Harvester Support Grant (HSG)

- **March 2020:** Launch of HSG to support the harvesting and sharing of traditional foods

COVID-19 response: additional subsidy funding

- **April 2020:** NNC received a one-time financial injection of \$25 million to increase the subsidy rates in the northern eligible communities during COVID-19

Six new communities

- **August 2021 – April 2022:** Six additional communities in Northwest Territories were made eligible for seasonal retail subsidy support

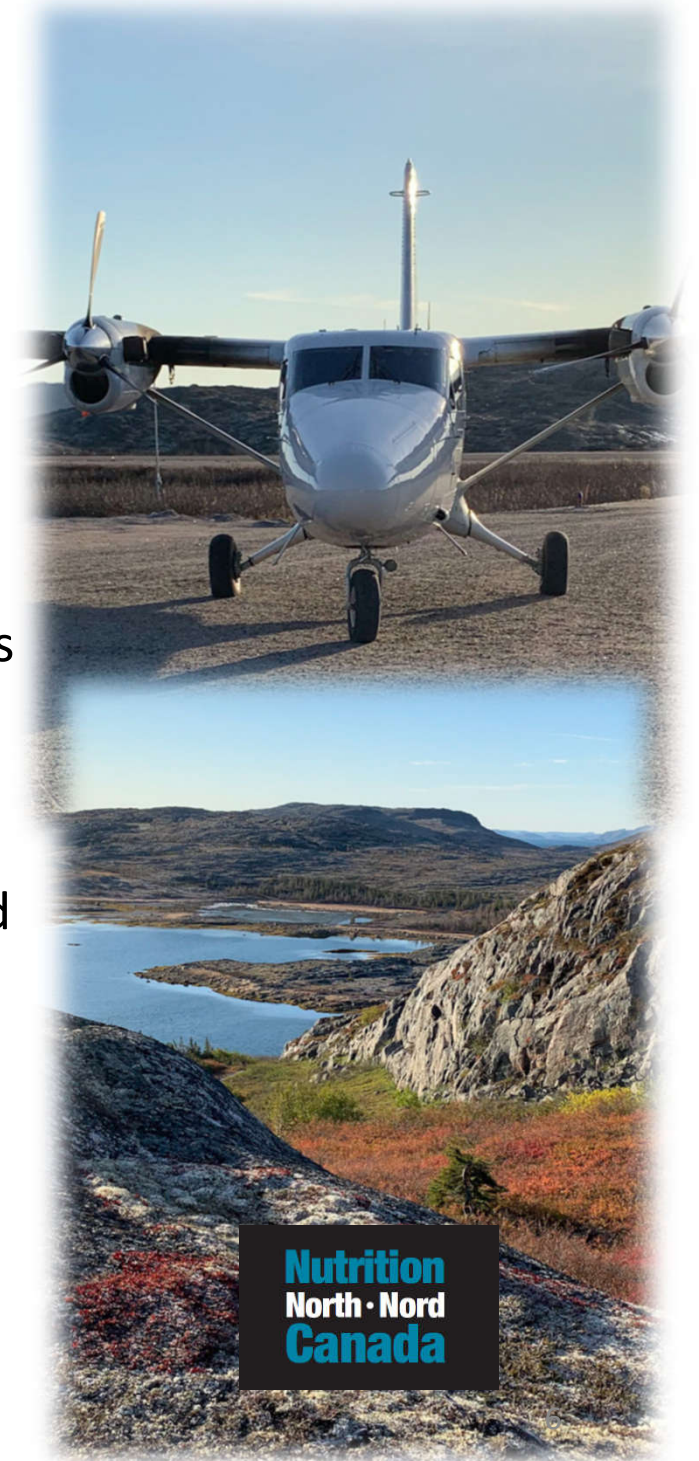


3. What is next for NNC? - Budget 2021 Enhancements to the Nutrition North Canada program

- **Budget 2021 offered \$163.4 M over three years, starting in 2021 and ending in 2024, to address food security in NNC communities**
 - B2021 also included a \$20 million investment to the retail subsidy to help maintain pandemic level subsidy rates announced in 2020.
- **Program improvements:**
 - Funding for program improvements is only secured until March 2024.
 - **Subsidy improvements** (\$110M to \$131M per year)
 - Increase of \$20M per year to maintain the recently improved food subsidy rates, expand eligibility, and decrease administrative requirements for small retailers
 - **Expanded Harvesters Support Grant** (from \$8M to \$40M per year)
 - Harvesters Support Grant increasing to \$20M per year
 - Creation of a Community Food Programs Fund component of the Grant, which will account for \$20.3M per year
 - **Northern Food Security Research Grant** (\$1.5M over two years)
 - Partial funding for a research project, aimed at telling a more complete story about food security in isolated communities

NNC Subsidy Program Expansions

- Maintain subsidy rates at current levels
 - To help reduce the cost of eligible items
- Expanded eligibility
 - The subsidy will be extended to food banks and other charitable organizations so donated food can be delivered to eligible communities
- Reduced administrative requirements for small retailers
 - NNC will create a special stream with reduced administrative requirements for small, locally-owned retailers (community owned and operated) to increase access to the subsidy
- Eligibility for local growers
 - NNC will subsidize produce that is grown and sold/donated in communities at a rate similar to fresh fruits and vegetables flown in



Expansion of the Harvesters Support Grant (HSG)

- An additional investment of \$96.8 million over two years to the Harvesters Support Grant. This includes the addition of a new Community Food Programs Fund component.
- Improvements to the Harvesters Support Grant include:
 - Elimination of the 15% admin fee, replaced with a funding structure that recipients feels is appropriate and effective
 - Expanded support for traditional decision-making
 - Support for minor infrastructure (equipment storage, training facilities etc.)
 - Supports for backyard gardening, chicken-keeping etc.
 - Better support for the restoration of traditional decision-making structures such as Elders Councils, Women's Councils, etc.
 - Better recognition of the roles of Elders, knowledge keepers and trainers



HSG Expansions (Continued)

New Community Food Programs Fund (CFPF)

- The CFPF recognizes the connection between store-bought food and country foods. The Fund supports the sharing of food with those most in need in the community and includes:
 - Expanded support for food-related minor infrastructure (storage and distribution) and repair of equipment and renovation of facilities for food purposes
 - Support for local food programs, including school lunch, elders meal programs, local food banks, etc.
 - Support for buying clubs, revolving loan funds for food purchasing, etc.
 - Support for community kitchens, individuals who prepare meals for elders
 - Support for those that travel the winter road to shop for others in the city or for chartered food delivery
 - Support for pilot projects and other innovations addressing food security



Food Security Research Grant

- To better support community members who are especially vulnerable to food insecurity, \$1.5 million over two years has been set aside to conduct research on how to further improve to the subsidy program
- Funding will be available for academics to partner with communities to better tell their story and to independently offer solutions for food security that reflects local priorities
- This research will fill data gaps on the cost of living, especially in communities located in the northern parts of the provinces, and help support future program expansions to better address food insecurity



**Nutrition
North · Nord
Canada**



Closing Remarks



- Program Construct
- Impact of Inflation
- Program inequities
- Program improvements
- Program recommendations

Nutrition North Canada

Nutrition North Canada



From Food Mail to NNC

- NNC introduced April 2011 replacing Food Mail Program
- Similar program funding, but administered through wholesalers and retailers
- Retail subsidy with claims paid per kg for eligible goods in multiple subsidy level
- Subsidy rates set to consider freight, utilities and other higher costs of operation in remote fly-in communities
- After first round of airline negotiations post NNC, net freight rates for eligible goods were LOWER for all communities

Nutrition North Canada



| Impact of Inflation | | | | | | | | | |
|---------------------|-------------------------|-----------------|-----------|--------------------|-------------------------|-----------------|-----------|--------------------|----------|
| Inflation Rate (%) | | 2.5 | | | | | | | |
| Year | Sample Community 1 (C1) | | | | Sample Community 2 (C2) | | | | Delta |
| | Cargo Rate/kg | Subsidy Rate/kg | Net (B-C) | Increase from Base | Cargo Rate/kg | Subsidy Rate/kg | Net (B-C) | Increase from Base | C1 vs C2 |
| 2011 | \$ 2.00 | \$ 1.00 | \$ 1.00 | 0% | \$10.00 | \$ 9.00 | \$ 1.00 | 0% | 0% |
| 2012 | \$ 2.05 | \$ 1.00 | \$ 1.05 | 5% | \$10.25 | \$ 9.00 | \$ 1.25 | 25% | 20% |
| 2013 | \$ 2.10 | \$ 1.00 | \$ 1.10 | 10% | \$10.51 | \$ 9.00 | \$ 1.51 | 51% | 41% |
| 2014 | \$ 2.15 | \$ 1.00 | \$ 1.15 | 15% | \$10.77 | \$ 9.00 | \$ 1.77 | 77% | 62% |
| 2015 | \$ 2.21 | \$ 1.00 | \$ 1.21 | 21% | \$11.04 | \$ 9.00 | \$ 2.04 | 104% | 83% |
| 2016 | \$ 2.26 | \$ 1.00 | \$ 1.26 | 26% | \$11.31 | \$ 9.00 | \$ 2.31 | 131% | 105% |
| 2017 | \$ 2.32 | \$ 1.00 | \$ 1.32 | 32% | \$11.60 | \$ 9.00 | \$ 2.60 | 160% | 128% |
| 2018 | \$ 2.38 | \$ 1.00 | \$ 1.38 | 38% | \$11.89 | \$ 9.00 | \$ 2.89 | 189% | 151% |
| 2019 | \$ 2.44 | \$ 1.00 | \$ 1.44 | 44% | \$12.18 | \$ 9.00 | \$ 3.18 | 218% | 175% |
| 2020 | \$ 2.50 | \$ 1.00 | \$ 1.50 | 50% | \$12.49 | \$ 9.00 | \$ 3.49 | 249% | 199% |
| 2021 | \$ 2.56 | \$ 1.00 | \$ 1.56 | 56% | \$12.80 | \$ 9.00 | \$ 3.80 | 280% | 224% |
| 2022 | \$ 2.62 | \$ 1.00 | \$ 1.62 | 62% | \$13.12 | \$ 9.00 | \$ 4.12 | 312% | 250% |

Nutrition North Canada



| Sample 4L fluid milk: | | 4.54 | kg | | |
|-----------------------|-------------|-------------------------------|-------------|-------------------------------|--|
| Year | Community 1 | | Community 2 | | |
| | Net | Increase from Base (\$/un/yr) | Net | Increase from Base (\$/un/yr) | |
| 2011 | \$ 1.00 | \$ - | \$ 1.00 | \$ - | |
| 2012 | \$ 1.05 | \$ 0.23 | \$ 1.25 | \$ 1.14 | |
| 2013 | \$ 1.10 | \$ 0.23 | \$ 1.51 | \$ 1.16 | |
| 2014 | \$ 1.15 | \$ 0.24 | \$ 1.77 | \$ 1.19 | |
| 2015 | \$ 1.21 | \$ 0.24 | \$ 2.04 | \$ 1.22 | |
| 2016 | \$ 1.26 | \$ 0.25 | \$ 2.31 | \$ 1.25 | |
| 2017 | \$ 1.32 | \$ 0.26 | \$ 2.60 | \$ 1.28 | |
| 2018 | \$ 1.38 | \$ 0.26 | \$ 2.89 | \$ 1.32 | |
| 2019 | \$ 1.44 | \$ 0.27 | \$ 3.18 | \$ 1.35 | |
| 2020 | \$ 1.50 | \$ 0.28 | \$ 3.49 | \$ 1.38 | |
| 2021 | \$ 1.56 | \$ 0.28 | \$ 3.80 | \$ 1.42 | |
| 2022 | \$ 1.62 | \$ 0.29 | \$ 4.12 | \$ 1.45 | |
| Total Cost Increase: | | \$ 2.83 | | \$ 14.17 | |

Program Inequities



“Northern Retailers” vs. “Southern Suppliers” consider:

- Infrastructure** costs
- Utilities** costs
- Salaries & Wage** costs
- Inventory** costs
- Insurance** costs
- Single vs. multi-community** market opportunities

A flyer from Nutrition North-Nord Canada. At the top left is the logo. The main text reads: "Helping lower the cost of healthy foods in the North / Aider à réduire le prix des aliments sains dans le Nord". Below this, it says "As of January 1, 2019 THE NNC SUBSIDY IS INCREASING" and "We heard you" with a sub-note: "That's why we are increasing the subsidy rates for your community to help lower the cost of healthy foods." The flyer features three sections with icons: 1. "NNT (topical) subsidy rate will be:" with a list of items: Green vegetables and fruits, Fresh milk, and Adult formula and infant food. 2. "The subsidy rate for most healthy foods will change" with a list: Fresh fruits and vegetables, Meat, and Dairy and eggs. 3. "The subsidy rate for other foods on the list will change" with a list: Snacks, Frozen pizza, and Instant Noodles. At the bottom, there is contact information: "For more information, visit www.nutritionnorth.ca or call 1-800-363-6232. E-mail: info@nutritionnorth.ca". The Canadian flag and "Canada" logo are at the bottom right.

Program Improvements



- Introduction of NNC 7 (targeted subsidy) level for fluid milk, baby food
- Temporary extension of select NNC $\frac{3}{4}$ (cleaning supplies) as a Covid response
- Increases to NNC 1 and NNC 2 rates
- Introduction of NNC 8 (surface subsidy) and 2022 rate changes
- Addition of 5 NWT Communities to seasonal eligibility

A poster from Nutrition North Canada titled "THE NNC FOOD LIST IS CHANGING" with the subtitle "We heard you". The poster features a photograph of a young boy in a green and white striped shirt holding several red tomatoes. In the background, a woman and a child are seen in a grocery store aisle. To the right of the photo is a blue callout box with a white border containing a list of items that will be cheaper starting January 1, 2016: Milk, Frozen fruits and vegetables, Flax, leafy greens, oil, and baking powder, Margarine, oil, and honey, and Apples, infant formula, and infant food. At the bottom of the poster, there is contact information for a full list of eligible food changes: www.coop.ca/Nutrition-North, 1-877-555-5555, and info.nutritionnorth@north.nutritionnorth.ca. The poster also includes the Government of Canada logo and the word "Canada" in the bottom right corner.

Program Recommendations

- Scale subsidy rates for inflation
- Extend NNC 8 eligibility to all NNC 1 items
- Consider different subsidy rates for Southern Suppliers who don't bear same cost burdens as remote community retailers
- Add Sachs Harbour NWT to seasonal eligibility



Nutrition North-Nord Canada Helping lower the cost of healthy foods in the North
Aider à réduire le prix des aliments sains dans le Nord

Your community's subsidy rates are:

| Highest Targeted Subsidy | Higher subsidy: | Lower subsidy: |
|---|---|---|
| \$ | \$ | \$ |
| For frozen vegetables, frozen fish, fresh milk, infant formula and infant food. | For fresh fruits and vegetables, meat, dairy products, grain products and other nutritious foods. | For cereals, cheese, yogurt, frozen pizza and other staple foods. |

Visit www.canada.ca/NutritionNorth
Call: 1-800-Canada (1-800-422-6242)
E-mail: nutritionnorth@canada.ca

Government of Canada | Canada



Thank You

Arctic Co-ops share a
Vision of:

*“People Working
together to improve
their social and
economic well-being.”*

Northern *North* **MART**

Your Trusted Community Partner



NWC | Who we are

Better Quality of Life | Northwest Territories

The North West Company | Who we are

- Leading retailer with stores in Northern and Western Canada, Alaska, the South Pacific islands and the Caribbean
- With 7,500+ employees
- Offer a broad range of products and services with an emphasis on food
- Be the best local shopping choice for everyday household and lifestyle
- 135 stores across Canada
- With 3,000+ Indigenous employees



The North West Company | Who we are



Winnipeg Logistics Service Centre

Constructed in 1975
Warehouse foot print – 280,000 sq. ft.
Total area – 335,000 sq. ft.
Refrigerated dock – 18,352 sq. ft.
Cooler – 4,148 sq. ft.
26 dock doors
2 ground level doors
18,000,000+ cases picked annually



Freight Service

Service provided to 35 Northern Stores, including 9 communities in Nunavut

Bases: Thunder Bay, ON (Main Base)
Kapusking, ON; Pickle Lake, ON; Red Lake, ON; Sioux Lookout, ON and Thompson, MB

Over 260 Employees



Passenger Service

Fleet (16 Aircraft)
4 – ATR72
3 – Basler BT-67 (DC3T)
8 – Pilatus PC-12
1 – Dash-8-100

Community minded – 11 Partner Communities in Northern Ontario. Over \$3 million in community dividends returned since 2014.

The North West Company | Who we are



Gibraltar House, MB



The North West Company | Northwest Territories



Northwest Territories

Serving 18 communities

- 16 Northern Stores
- 2 Northmart Stores
- 1 Quickstop Convenience Store

NT stores staff compliment of 326

Northern

NorthMART

Nutrition North•Nord Canada



NorthMART
Iqaluit, NU
867-975-3500
GSTN R808 425 978

| | | |
|---|------------------|---------|
| Melons 000000004050 CANTALOUPE LARGE Includes NNC Subsidy | \$5.74 | \$6.49 |
| Cooking Vegetables 000330366682 CARROTS BABY 454G Includes NNC Subsidy | \$1.67 | \$3.29 |
| Peppers 0059985001082 PEPPERS MIXED 3CT Includes NNC Subsidy | \$2.03 | \$8.99 |
| Salad Vegetables 005798005100 CUCUMBERS Includes NNC Subsidy | \$1.22 | \$5.99 |
| Tomatoes 000336365585 TOMATOES GRAPE Includes Promo Savings \$4.18 Includes NNC Subsidy \$1.11 | \$4.18 \$1.11 | \$2.99 |
| Subtotal | | \$27.75 |
| Amount Due | | \$27.75 |
| Cash | | \$27.75 |
| Change | | \$0.00 |
| Item count 5 Promo Total Savings \$4.18 NNC Subsidy Total Savings \$11.77 | | |
| Nutrition North - Making healthy foods more affordable Subsidy 1 \$3.45/kg Subsidy 2 \$1.00/kg Highest subsidy \$3.55/kg Seasonal surface subsidy \$1.00/kg | | |
| Thank you, come again Original receipt, within 30 days, is required for refund. | | |
| Date | Time | Lane |
| | 14-77 | 001 |
| Clerk | 358222 | Till |
| | | 358001 |
| Trans# | 458178 | |

Nutrition North Canada (NNC)

Government of Canada program that makes nutritious food and some essential items more affordable and more accessible.

How the subsidy works?

There are 2 ways you can access the subsidy:

- Shopping at a registered retailer
- Making a direct order from a registered retailer

Better Quality of Life | Northwest Territories

Eligible communities and their subsidy rates*

| Location | High Subsidy Level | Medium Subsidy Level | Low Subsidy Level |
|---------------------|--------------------|----------------------|-------------------|
| Aklavik | \$2.90 | \$2.80 | \$1.00 |
| Tsiigehtchic* | \$5.20 | \$4.80 | \$1.60 |
| Deline | \$4.05 | \$3.85 | \$1.00 |
| Fort Good Hope | \$4.30 | \$4.05 | \$1.10 |
| Fort McPherson* | \$5.20 | \$4.80 | \$1.60 |
| Fort Simpson* | \$2.90 | \$2.80 | \$1.00 |
| Inuvik* | \$3.40 | \$3.10 | \$1.00 |
| Paulatuk | \$5.45 | \$4.95 | \$2.00 |
| Norman Wells | \$3.45 | \$3.35 | \$1.00 |
| Tuktoyaktuk* | \$5.40 | \$5.00 | \$1.70 |
| Tulita | \$4.05 | \$3.85 | \$1.00 |
| Ulukhaktok (Holman) | \$6.30 | \$5.65 | \$2.70 |

* Six communities in the Northwest Territories are only eligible for the NNC retail subsidy during seasonal periods of isolation

** Government of Canada – Nutrition North Canada

Subsidy Levels

Subsidy rates vary depending on:

- Type of transportation used
- Location of the community
- Category of eligible food and non-food items

There are 3 subsidy levels for items shipped by air:

- **High** – Milk, Infant Formula, Infant Cereals, Frozen vegetables and fruit
- **Medium** – Fresh vegetables and fruit, Bread, Flour, Cheese, Eggs, Fresh and frozen meat, poultry, fish and seafood
- **Low** – Unsweetened juice, Pasta, Bannock and Pancake mixes, Cream, Cream cheese, Bacon and Canned fish and seafood

Nutrition North Canada

+43% Meat

+37% Produce

+25% Dairy



NWC stores only. Comparison period: Calendar Q1 2011 to Q1 2019 Figures represent average total change.

Nutrition
North•Nord
Canada

Nutrition North Canada helps to improve Northerners' access to a variety of healthy foods by subsidizing costs.

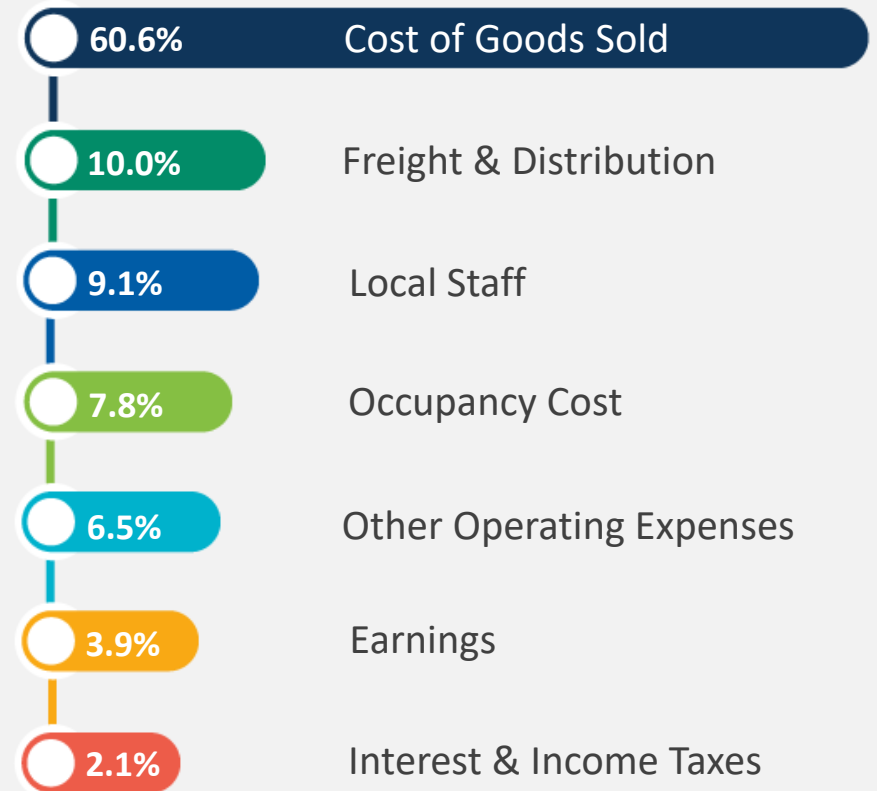
Better Quality of Life | Northwest Territories

What makes up retail prices?

The components of retail prices in our stores include cost to purchase and ship food to remote communities, an to pay operating costs, salaries and benefits for our **7,500+** employees, including **3000+** in Northern Canada.

The combination of costs represents over 96% of the retail price in our stores*.

Consolidated



*2019 Year End

Food Supply Chain Commentary

- Stable operations throughout the pandemic but not without challenges
 - Stores effectively pivoted to flexible hours, online, curbside pick-up and home delivery
 - Safety protocols were implemented throughout the network, including distribution centers, trucking & air service providers and stores
 - Our network supported delivery and distribution of PPE and home test kits
- Inflation is compounded by higher cost of goods and higher fuel costs
 - Impacts are exacerbated in air-stage communities and the Inuvik area due to the 3,200km trucking route from Edmonton – no subsidies for road access communities
 - Increased focus on shrink reduction and perishable handling to reduce costs
 - Introduced expanded promotional programs to reduce inflation impacts
 - Carefully assessing and negotiating all vendor increases
- Vendor shortages and disruptions are currently having minimal impacts

Food Supply Chain Commentary

- Air transportation networks remain stable
 - North Star Air ownership proves valuable in terms of supply chain stability and emergency response
 - Recent bridge impact on the Dempster Highway provides insight into responsiveness of supply chain stakeholders
- Reliable and stable seasonal barge shipping remains critical to affordability and availability of staple goods
- Opportunity exists for more locally grown or harvested products
- Recruitment and stable community-level staffing remains a challenge

Thank you!

Any Questions?