

Why is Milk So Expensive in First Nations Communities?

Access to and Affordability of Milk in Northern Manitoba

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This CCPA report is a companion to the article entitled "Access and affordability of 'healthy' foods in northern Manitoba? The need for Indigenous food sovereignty" by Mengistu Wendimu, Annette Aurélie Desmarais and Tabitha Robin Martens. Whereas the CCPA report focuses only on milk, the much longer article considers a broad range of food items in northern Manitoba. The full citation is: Wendimu, M.A., Desmarais, A.A., and Martens, T.R. (2018). Access and affordability of "healthy" foods in northern Manitoba? The need for Indigenous food sovereignty. *Canadian Food Studies*, 5(2): 44–72. Available at http://canadianfoodstudies.uwaterloo. ca/index.php/cfs/article/view/302/280.



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About the Authors

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Introduction

Although historically milk was not part of Indigenous peoples' main diet, colonization led to profound dietary and lifestyle transformations and over time there has been an increased consumption of milk and milk products, particularly among Indigenous children. This report looks at the availability and prices of milk in First Nation communities as compared to Winnipeg and non-First Nation urban centers in northern Manitoba. The research was conducted in close collaboration with the Public Interest Law Center (PILC) and the Manitoba Keewatinowi Okimakanak (мко). The research also received the full support of the мко Chief who participated in the general assembly held in April 2016 in Thompson, while funding was provided by PILC and the Mitacs Accelerate Research Program.

Milk is considered a staple food in Canada. Canada's Food Guide to Healthy Eating (2011) recommends two to four servings of milk per person per day (250 ml/serving), depending on age and sex, to meet the nutritional requirements provided by milk. Milk is an essential source of calcium, vitamin D, protein, phosphorus, and other micronutrients that promotes skeletal, muscular, and neurologic development (Visio-

li and Strata, 2014). The 2013 Canadian Health Measures Survey indicates that a large proportion of the Canadian population does not meet the minimum recommended amount of milk product consumption (Canadian Community Health Survey, 2013). The same survey shows that while about 32% Canadians had insufficient vitamin D levels, about 10% were vitamin D deficient. Several studies have also shown the health benefits of consuming sufficient amounts of milk. Milk intake is, for instance, linked to a reduced risk of type 2 diabetes and prevention



Picture taken by the first author at the Northern Store in Wasagamack First Nation, August 2016.

of obesity (Kalergis et al., 2013; Tong et al., 2011; Elwood et al., 2010; Liu et al., 2006).

The significance of milk for human health was officially recognized in Manitoba when in 1932, the Government of Manitoba declared it to be a "public utility", and placed the distribution of milk under the Municipal and Public Utility Board. Although milk was certainly very different from electricity and telephone services, the government argued that milk met the criteria of a public utility because it is an "essential commodity" since it was considered to be a necessity of modern life, and therefore, everybody should be able to access it at a non-discriminatory price (The Milk Control Board of Manitoba, 1938). Hence, since 1932 the price of milk has been regulated in Manitoba although the geographic areas covered by the regulation have varied over time.1

The milk price regulations contained in the *Milk Price Review Act* and administered by the Manitoba Milk Price Review Commission are limited to specific product sizes and geographical areas. That is, the current regulation sets a price protection only for one-litre containers of milk that are sold within a 240 km and 360 km radius from Winnipeg and Brandon, respectively (Schedule B of Regulation 110/89). Because of this restrictive geographic limit, the *Milk Price Review Act* disproportionately excludes price protection in numerous First Nation communities in northern Manitoba, thus effectively exposing them to higher costs for milk.

Because of the high price of milk, many First Nation communities in northern Manitoba — particularly low-income families, families on social assistance, and communities without access to an all-weather road — are struggling to provide adequate milk for their families, especially younger children. The Federal and Provincial Governments have implemented programs such

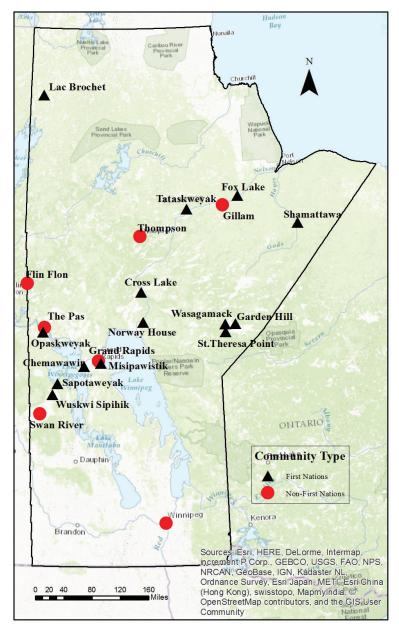
as Nutrition North Canada Program (NNC) and Affordable Food in Remote Manitoba (Affirm) that provide a freight subsidy to retailers operating in eligible communities (i.e. First Nation communities that have no access to an all-weather road) to make perishable nutritious foods such as milk, fruits and vegetables more affordable. However, several recent studies indicate that these programs are not effectively reducing the price of milk and other food to affordable levels in northern First Nation communities (e.g. Galloway, 2017; Burnet et al., 2015; Galloway, 2014).

To examine the availability and affordability of milk in northern Manitoba, we conducted a milk price survey in August and September 2016 in 26 stores located in 22 communities in northern Manitoba (15 First Nation and 8 non-First Nation communities) and 11 stores in Winnipeg which we included for comparative purposes. We collected milk prices for 1 litre, 2 litre and 4 litre container sizes of different fat content. (See the map below for the names and locations of all the communities visited for the milk price survey).

In addition, through focus groups we explored some of the implications for families, of having to pay higher prices for milk. We conducted six focus group discussions (4 with mothers and 2 with community service providers) in 4 First Nation communities (Wasagamack, Lac Brochet, Chemawawin and Cross Lake).

To compare the price of milk across different geographic locations, we categorized the study locations into four groups: Winnipeg, non-First Nation urban centers in northern Manitoba, First Nation with access to an all-weather road and First Nation communities without access to an all-weather road. Six of the First Nation communities surveyed did not have access to an all-weather road (Garden Hill, St. Theresa Point, Wasagamack, Stevenson Island, Shamattawa and Lac Brochet) received

¹ The only exception to this was between 1981 and 1984 when milk price regulation was removed from all geographic areas in Manitoba.



Map of the communities visited in this study.

a Nutrition North Subsidy for milk and other perishable food items. These six communities had only one store at the time of data collection. It is important to note that the prices presented in this report are after the subsidy was applied.

Milk Availability

Our research shows that there is a high variation in the availability of milk across different geographic locations and communities.

Availability of different milk varities in First Nations communities was generally very limited.

Table 1 shows the percentage availability of different types of milk at the time of data collection. All 18 stores surveyed in Winnipeg and non-First Nation urban centers in northern Manitoba sell almost all of the different types of milk, except lactose-free milk for which availability in all the stores visited was very limited. In northern First Nation communities with and without access to an all-weather road, skim and lactose-free are the most unavailable types of milk while the availability of low-fat (1%), reduced-fat (2%) and whole (3.25%) milk is higher. Though all the 37 stores surveyed sell at least two different types of regular milk (in different container sizes and fat content), lactose-free milk was unavailable in 6 (32%) of the First Nation rural communities.

Lack of access to lactose-free milk due to its unavailability in these communities has direct implications on the health of people who do not consume regular milk due to lactose intolerance. And, according to the information obtained from the focus group participants, stores in the First Nation rural communities, particularly those who have only one store, run out of milk quite regularly. Some focus group participants described it as follows:

"They [the store] runs out of food especially milk during payment periods. You have to race to the store before the milk runs out. The first day [of the payments] is always the busiest because we are all trying to get what we need." (Focus group participant, Lac Brochet)

"During pay time, everyone in the community rushes to the store to get groceries but the store mostly runs out of some products and you have to wait two to three days to get them when the store is re-stocked." (Focus group participant Wasagamack, Island Lake)

TABLE 1 Percentage of Availability of Milk in the Stores in the Study Communities Winnipeg (11 stores) Unit/Volume Type of milk Non-First Nation Communities with **First Nation** urban centers in year-round access communities with no year-round northern Manitoba (13 stores) (7 stores) access (6 stores) Skim 1 Litre 100.0 100.0 38.5 16.7 2 Litre 100.0 100.0 53.8 50.0 4 Litre 100.0 100.0 23.1 0.0 Low-fat 1 Litre 66.7 100.0 100.0 53.8 2 Litre 83.3 100.0 53.8 71.4 4 Litre 61.5 66.7 100.0 100.0 Reduced 1 Litre 100.0 100.0 61.5 83.3 2 Litre 100.0 100.0 100.0 100.0 4 Litre 83.3 100.0 100.0 92.3 Whole milk 1 Litre 100.0 100.0 53.8 83.3 2 Litre 76.9 83.3 100.0 100.0 4 Litre 100.0 100.0 100.0 83.3 Lactose Free² 1 Litre, 1% 0.0 27.3 42.9 7.7 1 Litre, 2% 81.8 16.7 83.3 7.7 2 Litre, 1% 9.1 14.3 7.7 50.0 2 Litre, 2% 81.8 42.9 23.1 33.3

² Although the availability of lactose free milk is relatively low as compared to other milk varieties across all the study locations, consumers in Winnipeg and non-First Nation urban centers have the choice of going to the stores that sell lactose free milk. However, in 67% of the First Nation communities in this study, there is only one store which means that if lactose free milk is not available in the one single store in the community, there is no other place in the community where a person can access it.

Milk Prices

First Nations communities pay significantly higher prices for milk than non-First Nations urban centers in northern Manitoba or Winnipeg.

The average prices for one, two and four litre milk containers are presented on the next page Figures 1 to 3. Our study shows that First Nation communities (both with and without access to an all-weather road) pay significantly higher prices for all of the milk varieties except lactose free for which there was no significant price difference.3 For instance, the average prices for one-litre of skim and reduced-fat milk in First Nation communities without access to an allweather road (after the Nutrition North subsidy was applied) were 71% and 84% higher than the price in Winnipeg, respectively. Without the Nutrition North Canada subsidy, the average price of one-litre reduced-fat milk in First Nation communities with no access to an allweather road was about 181% higher than the price in Winnipeg. Interestingly, there was no significant difference in the price of any of the milk varieties between Winnipeg and non-First Nation urban centers. The average price of the most commonly available milk type (i.e. two-litre reduced-fat milk), for instance, was slightly lower in Thompson than Winnipeg.

Focus group participants in First Nation communities without access to an all-weather road stated that the reason why food prices are very high in their community is because of the high cost of transportation due to isolation or remoteness, and the existing monopoly resulting from a lack of competition between retailers. When this study was conducted, about 67% of the First Nation communities visited had only one grocery store. As one focus group participant said:

"The North West Company buys milk in bulk. They get a big discount on that. Perimeter [an Airline serving First Nations in northern Manitoba] also gives them a discount. In addition to that, they also get a subsidy from the federal government. But when the milk gets here the price is tripled. Why is that? Because there is no competition." (Focus group participant, Lac Brochet)

Another participant of a focus group with community service providers in Lac Brochet stated

³ A 5% significance level is used to test the differences in the average prices.

FIGURE 1 Average Prices of Different Varieties One-Litre Carton Milk Across Different Community Groups

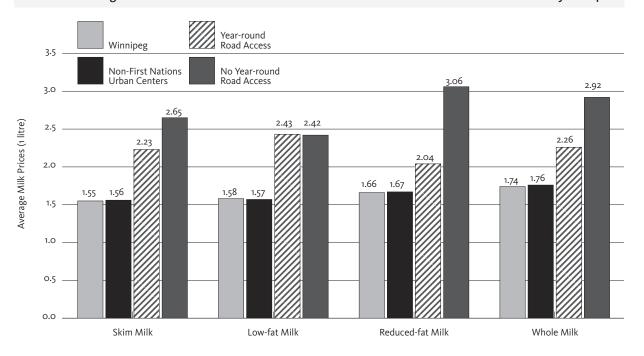
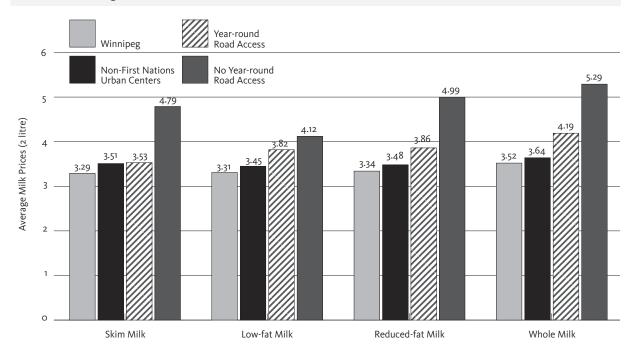
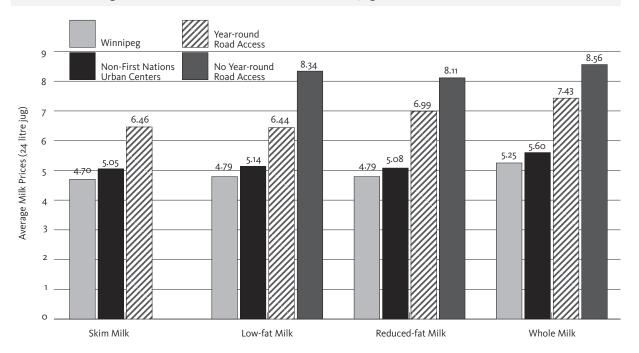


FIGURE 2 Average Prices of Different Varieties of Two-Litre Milk Across Different Locations



that "They [Northern Store] have a monopoly and they can do whatever they want. If the government increases social assistance, they [Northern Store] also increase their prices."

FIGURE 3 Average Prices of Different Varieties of Four-Litre Jug Milk Across Different Locations



Regulated Milk Price in Winnipeg

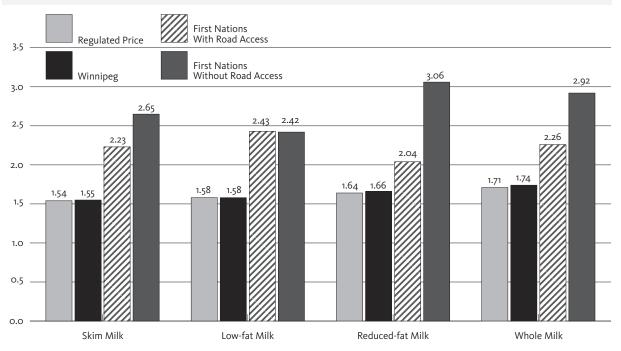
According to the *Milk Prices Review Act* Schedule A of Regulation *110/89*, as of February 2016, the maximum prices a retailer can charge for one-litre whole, reduced fat, low-fat and skim milk within the boundaries of the cities of Winnipeg and Brandon are \$1.71, \$1.64, \$1.58, and \$1.54, respectively. To examine the level of retailers' compliance with the milk price regulation,⁴ we compared the regulated and average retail milk prices in Winnipeg for one-litre milk (Figure 4).

Of the 11 stores surveyed in Winnipeg, two stores sold one-litre milk for more than the regulated price, while the remaining 9 stores charged the maximum price. One store, for instance, sold one-litre whole milk for \$1.98. This is 16% higher than the regulated price. According to the Milk Price Review Commission, the Commission does not conduct its own price checks in the regulated areas, rather it uses a consumer based monitoring system whereby consumers inform the Commission of the retail outlets that are charging over the maximum retail prices for one-litre containers. Section 9 (1) of the *Milk Price Review Act* indicates that any retailer that violates the regulation is guilty of an offense and is liable on summary conviction to a fine of not less than \$5000 or more than \$5000.

⁴ As mentioned earlier, the regulations only apply to one-litre milk. Currently, milk distributors or retailers can charge a transportation differential of 1 cent for every 30 kilometers for a distance up to 240 kilometers from Winnipeg and 360 kilometers from Brandon.

⁵ But, whether consumers have an awareness of the milk price regulation is not clear.





Milk Price Discrepancies Between First Nation and Non-First Nation Communities

There is a large discrepancy in milk price between First Nation communities and non-first Nations urban centers in northern Manitoba.

Many argue that transportation costs contribute significantly to the high milk prices in northern Manitoba, especially in those communities without access to an all-weather road. However, data is not availabile to prove this claim. Although the Federal Government provides a transportation cost subsidy to retailers in the isolated communities, milk prices (after the subsidy was applied) in these communities were still significantly higher than in First Nation communities with access to an all-weather road or non-First Nation urban centers.

Our study also shows that First Nation rural communities that have access to an all-weather road were paying much higher prices than non-First Nation living in urban centers in northern Manitoba. For example, in the First Nation communities of Chemawawin and Misipawistik (two of the First Nation communities located nearly halfway between Winnipeg and Thompson or Flin Flon), the price of milk was significantly higher than in the non-First Nation communities of Thompson or Flin Flon. For instance, the prices of one litre (2%),

two litre (2%), and four litre (3.25%) milk were 10%, 23%, and 25% higher in Misipawistik First Nation than in Thompson, respectively. In Chemawawin First Nation, the prices of four litre (2%) and four litre (3.25%) were 29% and 29.8% higher than the prices in Flin Flon, respectively.

As one focus group participant in Cross Lake First Nation reflected:

"We have roads and food should not be that expensive here. I have a friend who lives in Gods Lake and their prices are really high. We are not isolated like that and it is not that far to drive to Thompson. Thompson is further [from Winnipeg] but they have lower prices than us."

A more puzzling issue that surfaced was the food price discrepancy between Opaskwayak Cree Nation and The Pas, even though they are located very near to each other geographically, and separated only by a bridge. At the time of our survey, as is indicated in Table 2 below, there was a significant difference in prices between the two communities.

This suggests that transportation costs might not be the major factor leading to high prices in northern communities. This is evidenced by the fact that First Nation cummunities that have

TABLE 1 Price Differences Between Opaskwayak Cree Nation and The Pas Percentage Difference Product Price Туре Opaskwayak Cree Nation The Pas Milk (one litre, 2%) \$1.99 \$1.62 22.8% Milk (four litre, 3.25%) \$6.39 \$5.29 20.8% Baby formula (12 x 385 ml Enfamil) 22.6% \$64.99 \$52.99

access to an all-weather road and are located closer to Winnipeg (the main distribution centre) pay significantly higher prices for milk than non-First Nation urban centers. Furthermore, in First Nation communities where the government currently subsidizes part of the transportation

cost, milk prices are still significantly higher than Winnipeg or non-First Nation urban centers. Rather than transportation, it seems that higher milk prices may be due primarily to the existing monopoly resulting from a lack of competition among retailers.

The Effects of Extending Milk Price Regulation to Northern Manitoba

Extending the current milk price regulation to all Indigenous communities in northern Manitoba would make milk more accessible.

Since current milk price regulations are area specific, we calculated what the hypothetical price of a one-litre carton of milk would be if the regulations were extended to all Indigenous communities in northern Manitoba

that have access to an all-weather road. Our calculation demonstrates that prices for the one-litre milk carton of different fat content would decrease by 3.11% to 38.41% for milk that is shipped from Winnipeg. First Nation communities where the milk prices are currently the highest, such as Tataskweyak and Sapotaweyak, would benefit the most from the extended regulations.

Implications of High Prices of Milk for First Nation Communities

Families' inability to access milk for children, either due to financial constraints or its unavailability is a source of constant stress and anguish with negative implications on health.

All the mothers who participated in the focus group discussions said that for families with children, meeting the households' demand for milk was a significant challenge. Additionally, they pointed to the high price of milk as the main barrier to accessing enough milk for their families. Focus group participants also indicated that the inability to afford purchasing milk for their family is a source of constant stress, frustration, and anger which all have implications for mental health. One focus group participant described the challenge with accessing sufficient milk for her children like this:

"When you are not able to provide your children with milk either because you do not have enough money to buy it or there is no milk in the store, it really hurts your feelings."

Most of the mothers in the focus groups recognized that low-income households, particularly those headed by single mothers and mothers on social assistance, run out of milk, requiring them

to make a difficult choice between providing milk to their children versus other basic necessities. As one focus group participant in Wasagamack First Nation stated:

"What I usually do is sell out food, for example, ground beef for \$25, and this is enough to pay for my boat taxi to cross to the store [that costs \$10 for a return trip] and buy a four-litre jug of milk [that costs \$9.19]. This also affects what you have budgeted for a week. Selling something to get something else and this continues like a cycle. People sell pampers because they have to buy milk. And then they will be looking for pampers after a few days. So it is an added stress, daily."

Focus group participants discussed various coping strategies. For instance, some participants identified buying several jugs of milk (when the household has the funds) to freeze in order to extend its expiry date. Others borrow milk from families and friends, mix milk with water to make it last longer, put money in a separate account that is only used for emergencies, substitute milk with juice and pop, and use powdered milk as an emergency. Another strategy that some focus group participant highlighted was the need to consider the importance of traditional foods in supplying healthy diets.

Policy Implications

Our research indicates that in addition to limited availability, milk prices in First Nation communities (those with and without access to an all-weather road) are significantly higher than in Winnipeg or non-First Nation urban centers. The high milk prices in First Nation communities with access to an all-weather road might be mainly because of the monopoly due to lack of competetion between retailers. One way to rectify this situation that leads many to experience increased stress, hardship and worry, would be to extend the current milk price regulations to include all First Nation communities in northern Manitoba.

Another important step would be to recognize that First Nation communities historically sourced nutrients (e.g. calcium, potassium, vitamins, iron, carbohydrates, and fat) from traditional foods, and there is a resurgence of interest in these practices. Thus, ensuring that Indigenous peoples have access to their traditional geographical hunting, trapping, fishing and harvesting areas is critical. Furthermore, facilitating training in traditional hunting, harvesting and cooking practices (particularly for the younger generation) would be important steps in helping to address diet-related problems among First Nation communities.

Importantly, the issues of low availability and high prices of food (including milk), and limited

access to and control over land, water and other natural resources can be linked to the Truth and Reconciliation Commission: Calls to Action and international human rights commitments such as the United Nations Declaration on the Rights of Indigenous Peoples because they can negatively affect the social, economic and health status of Indigenous people. For example, numbers 19 and 43 of the Truth and Reconciliation Commission's Calls to Action call upon federal, provincial, territorial and municipal governments in Canada to "establish measurable goals to identify and close the gaps in health outcomes between Aboriginal and non-Aboriginal communities" and, to "fully adopt and implement the *United Nations* Declaration on the Rights of Indigenous Peoples [UNDRIP] as the framework for reconciliation." Furthermore, Article 24(2) of the UNDRIP specifies that "Indigenous individuals have an equal right to the enjoyment of the highest attainable standard of physical and mental health", while Article 26(1) states that "Indigenous peoples have the right to the lands, territories and resources which they have traditionally owned, occupied or otherwise used or acquired." Clearly, the full realization of these human rights are necessary to ensure the development of healthy, safe, just and sustainable Indigenous food systems.

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