

The North West Company supports recommendations to improve Nutrition North program

Says prices down in remote communities, purchase of healthy foods is up

Winnipeg, November 25, 2014 – On the heels of a report from the Auditor General of Canada, the largest retailer in northern Canada says it supports recommendations to improve the Nutrition North food subsidy program.

The North West Company (North West), with 132 Northern and NorthMart stores across northern Canada, says the federal Nutrition North program has resulted in lower prices for healthy food and more people buying nutritious foods.

“We have a lot of experience serving Canadians in the far north,” said North West president Edward Kennedy. “We participate in the program in 67 communities and know first hand the Nutrition North program is working but can be even better. We agree with the Auditor General’s report released today that recommends changes to make the program more effective.”

North West has tracked approximately 4,000 subsidized items since the Nutrition North program began in April 2011 and found the price of these subsidized items has dropped an average of eight percent.

“This decrease comes despite the fact it costs North West substantially more to buy food now than it did a few years ago. When you factor in the inflation in the cost of perishable food, the actual retail price savings is more than 15 percent,” Kennedy said. “While comparable food prices are rising elsewhere, overall prices in northern communities have dropped because of the Nutrition North subsidies and because our more efficient freight routings have outweighed cost increases for products, fuel, staffing, utilities, travel and so on.”

At the same time as prices have declined, the volume of healthy food purchased has gone up. At Nutrition North eligible North West stores, dairy purchases have increased by 33 percent, meat by 26 percent and fruits and vegetables by 22 percent. The combined increase in these three categories is in excess of 25 percent.

Under the Nutrition North program, North West passed on to customers \$31.7 million in subsidies in 2013. Independent audit of North West’s internal process has confirmed that every dollar of subsidies has been passed along to customers.

The Auditor General’s recommendations included that retailers be contractually required to provide information on profit margins as further evidence they are passing on the full subsidy to consumers. Kennedy said North West is one of the retailers noted by the Auditor General as having previously provided cost and profit margins to Nutrition North and will continue to do so in future.

“We hire most of our staff right from the communities we serve, so the issue of affordable food really hits home,” Kennedy said. “We work in an increasingly competitive environment, including online and southern retailers who have no local stores in the north, have made no local investments, and hire few or no local people. So because we want lower prices for our employees and customers—and because it’s good business for us—North West Company will continue looking for ways to drive down costs and pass them along to consumers.”

About Northern and NorthMart

Northern and NorthMart are divisions of The North West Company, the largest private employer of Inuit and First Nations people in Canada’s north, with more than 3,100 employees in this region.

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For more information contact:

Derek Reimer
Director, Business Development
P: 204.934.1469
E: dreimer@northwest.ca

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