



Caritas
MALTA

MINIMEBDL
2023

**FOCUSING ON THREE LOW-INCOME
HOUSEHOLD CATEGORIES**



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MiniMEBDL 2023

INTRODUCTION

Over the past decade, Caritas Malta has conducted a series of research studies called the Minimum Essential Budget for a Decent Living (MEBDL). The purpose of these studies has been to identify and price a basket of goods and services for three types of families with a low-income to be able to live a basic but decent quality life. The three types of family configurations focused on were: 2 adults and 2 children, 1 adult and 2 children and an elderly couple age 65+. To date three studies have been conducted; in 2012, 2016 and 2020.

In 2020, the COVID-19 pandemic struck our islands and in 2022 war broke out in Ukraine. Both these events have had a global economic impact, resulting in a steep inflation in the prices of many essential items, such as for foods and for medicines and healthcare. Given that these two categories have always emerged as representing the highest and one of the highest (respectively) proportions of the cost of the MEBDL basket, any price increases would be particularly significant for low-income families. Thus, in 2022 Caritas felt that it was necessary to update the cost of these two categories in a mini version of the MEBDL -- The MiniMEBDL 2022. This study showed how there was a high increase in the cost of the two MEBDL categories since 2020.

Unfortunately, prices have continued to escalate on a global level. Thus, to help understand the implications of this for the MEBDL and low-income families in Malta, Caritas has conducted the MiniMEBDL 2023.



METHOD

Food

In February 2023, the foods in the Caritas MEBDL 7-day menus for the three family types were priced in various retail outlets, namely: two popular and easily-accessible supermarkets in Malta (one in the south and one in the centre); one popular supermarket in central Gozo; two mini-markets in Malta (North and Northern Harbour); three vegetable and fruit vans (south, centre and Gozo) and one vegetable and fruit corner store (Northern Harbour). These retail outlets were chosen to represent the variety of prices which a good segment of the population would experience when shopping for food. For the first time since the inception of the MEBDL studies pricing was also done in Gozo, as well as in mini-markets and corner stores.

As in previous MEBDL studies, value for money was sought when choosing the food items for the basket, without compromising on healthiness as far as possible. In the MiniMEBDL 2023, quality was also considered with respect to sustainability criteria, such as opting for local, seasonal produce or organic foods and foods with minimal/recyclable packaging. An item with one or more of these features was included in the basket only if it was less than 10% more expensive than the cheapest brand for that food in that particular outlet.

Separate pricing of the vegetables and fruits in the MEBDL 7-day menus for 2 adults and 2 children was calculated for the supermarkets, the vegetable and fruit vans, the corner store and the Farmer's Market in Ta' Qali.



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The Caritas MEBDL Food category is based on 7-day menus for children, adults and the elderly which are in line with national dietary guidelines.



Medicines and Healthcare items

In the MiniMEBDL 2023 study, the same list of medicines and other healthcare products as that of the regular MEBDL study was used. Pricing was carried out at one local pharmacy in the South, acknowledging that the price of many medicines is standard nationwide, although it is understood that there would be price differences in other healthcare items.

RESULTS

THE FOLLOWING TABLES PRESENT:

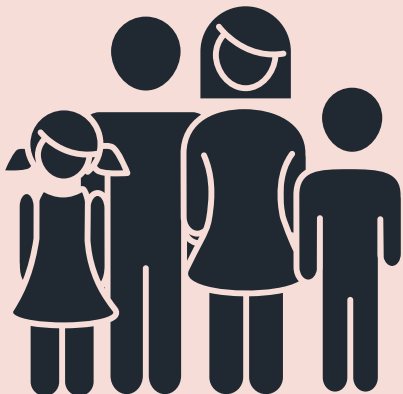
- The total cost of the food and drinks in the 7-day MEBDL menu for each of the three family types;
- The cost of the vegetables and fruits in the 7-day MEBDL menu for 2 adults and 2 children from eight different sources;
- The total cost of the medicines and healthcare basic items for each of the three family types.

1 Cost of Food Basket
2023 vs 2022



Family Types	Food Basket* 2023		Food Basket** 2022		Year on Year Price Increase***	Year on Year Percentage Increase***
	Monthly (€)	Yearly (€)	Monthly (€)	Yearly (€)	(€)	%
2 adults 2 children	719.50	8634.00	698.80	8385.60	248.40	2.96
1 adult 2 children	542.49	6509.88	526.28	6315.36	194.52	3.08
Elderly couple 65+	362.28	4347.36	351.32	4215.84	131.52	3.12

* February 2023 pricing
 **February 2022 pricing
 ***February 2022 to February 2023





2

Cost of Vegetables and Fruits in the 7-day menu

2023

Cost of Vegetables and Fruits in the MEBDL 7-day Menu for 2 Adults and 2 Children from 8 different sources*

	South	Central / Northern Harbour	Gozo	Ta' Qali
Supermarket	€48.56	€56.89	€60.26	/
Van Vendor	€52.54	€46.90	€45.79	/
Corner Store	/	€77.07	/	/
Farmers Market	/	/	/	€38.50

*For indicative purpose only. One cannot generalise nation-wide

3

Cost of Medicines & Healthcare

2023 vs 2022



Family Types	Medicines & Healthcare* 2023		Medicines & Healthcare** 2022		Year on Year Price Increase***	Year on Year Percentage Increase***
	Monthly (€)	Yearly (€)	Monthly (€)	Yearly (€)	(€)	%
2 adults 2 children	32.37	388.43	29.60	355.31	33.12	9.32
1 adult 2 children	20.48	245.78	18.00	215.46	30.32	14.07
Elderly couple 65+	49.84	598.12	46.90	562.71	35.41	6.29

* February 2023 pricing

**February 2022 pricing

***February 2022 to February 2023



SOME OBSERVATIONS

Food

The percentage increase in the cost of the MEBDL Food category between 2022 and 2023 ranges from 2.96% to 3.12%. This range is lower than that obtained for 2022 which could be reflective of the fact that COVID-19 had a sudden dramatic impact on inflation in 2021/22.

The highest percentage increase in the cost of the MEBDL 7-day menu was for the elderly, at 3.12%. In monetary terms, this increase translates to 131.52 euro over a 12-month period. The 12-month monetary increase was 194.52 euro for the 1 adult and 2 children 7-day menu and 248.40 euro for the 2 adults and 2 children menu. In the MiniMEBDL 2022, the highest price increase had also been for the elderly, perhaps due to certain ingredients which appear more frequently in the elderly 7-day menu, such as wholegrain products and vegetables, which have increased in price.

This increase in the cost of the 7-day MEBDL menu is particularly significant with regard to low-income families who live in rented dwellings. These families may forsake the quantity and quality of food consumed in order to be able to pay their monthly rent. In contrast, some families might opt to move to a rented dwelling of lower quality with lower rent in order to ensure that they have sufficient income to buy food for the family.

The increase in food prices of the MEBDL 7-day menu was approximately 3%, whereas the national Annual inflation rate (RPI) for January 2023 for Food (excluding restaurants and take-aways) was 11.16%. There a number of possible explanations for this difference:

- The 2 food baskets are comprised of different food items and different price brackets.
- When costing the ingredients in the MEBDL 7-day menu the lower-priced food from the range available for that item was chosen, whilst not sacrificing nutritional quality as far as possible.
- Due to the sustainability criteria adopted for the MEBDL 7-day menu, local foods were preferred when it made sense financially. Certain local foods did not experience as steep a hike in price as did their imported equivalent.
- When costing the MEBDL menus, advantage was taken of special offers on food if it was financially apt to do so.



Vegetables and Fruit

The average price of vegetables and fruit in the MEBDL 7-day menu for 2 adults and 2 children was 55.24 euro per week from supermarkets, an increase of 19.36 euro over 2022. Similarly, there was an increase in the price of vegetables and fruit of the 7-day menu bought from vendor vans, costing 48.41 euro per week - 10.82 euro more than 2022. There was even an increase in the price of local produce from the Farmers market; from 31.31 euro to 38.50 euro for an increase of 7.19 euro. Notably, however, the Farmers market remains the cheapest place to shop for vegetables and fruit. In contrast, buying the 7-day menu vegetables and fruit from a corner store turned out to be the most expensive, amounting to 77.07 euro per week.

An interesting observation was that different stalls in the Farmers market had different prices. Generally, stalls at the entrance or perimeter of the market had slightly more expensive prices. A common practice witnessed at the market was that farmers often added some extra item for free when one purchased a certain amount of produce.

Another general observation was that in supermarkets the price of pre-packaged vegetables or fruit was generally higher than the price of unpacked produce. Indeed, supermarkets had many packaged produce items, and this packaging was often not composed of sustainable material. Thus, these packaged foods are possibly contributing to our islands' waste management challenges.

A number of sustainable practices were evident in a particular supermarket. For example, the shop offered a 50% discount on bread that was unsold the day before. Another special deal was on bulk packaged mushrooms and eggplants, which were slightly blemished yet still suitable for use in dips, soups, stews, kebabs etc. There was also a section with "soon to expire" items at reduced prices.

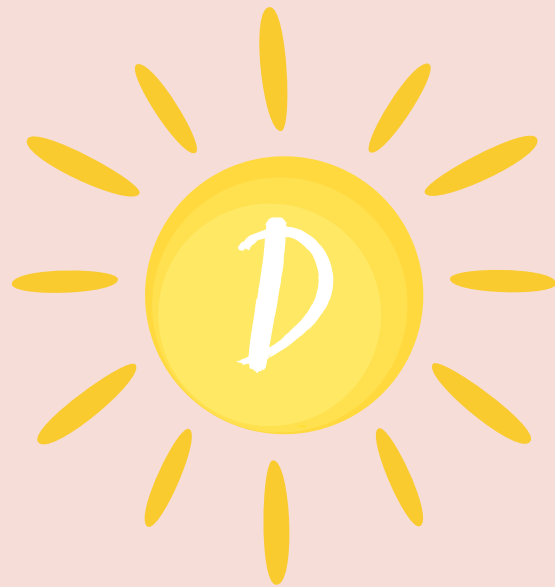


MORE OBSERVATIONS

Medicines and Healthcare Items

The percentage increase in the cost of the MEBDL Medicines and Healthcare items ranged from 6.29% to 14.07%. In monetary terms, the highest increase was for the Elderly couple: 35.41 euro yearly. Although many medicines are provided for free through the National Health Service, an aging population can be expected to have a variety of simple and/or chronic ailments which may not be covered by the NHS. These ailments may result in recurring expenses in order to maintain mobility, functionality and comfortable living. The annual cost of the MiniMEBDL 2023 Medicines and Healthcare items for the Elderly couple amounted to 598.12 euro. This expense is of grave concern as it could result in a significant dent on an elderly couple's income. Of note is that a specific item which raises the cost of this Medicines and Healthcare category is bone strengthening tablets. These are commonly being prescribed to elderly individuals and one augurs that they will soon be provided for free through the NHS as per recent National Budget declarations.

The pharmacists consulted during the MiniMEBDL 2023 pricing exercise commented how many clients, especially elderly ones, were buying Vitamin D and calcium tablets as a preventive measure with respect to bone density strengthening. The cost for an elderly couple of a daily Vitamin D tablet would amount to approximately 61 euro annually.



An observation made by pharmacists consulted for the MiniMEBDL 2023 pricing exercise was that many clients were buying anti-depressant medication. This cost was not included in the MiniMEBDL Medicines and Healthcare category pricing. Should it be included, it would account for an additional hike in the cost of healthcare for individuals suffering from mental health challenges.

RECOMMENDATIONS

MAXIMISE USE OF AND REDISTRIBUTE AVAILABLE FOOD

Additional incentives and training could be organised so that more supermarkets, restaurants and food retail outlets establish processes for storing and distributing food that would otherwise go to waste (e.g. close to expiry date, slightly dented packets etc.) with the goal of assisting low-income families. This could be done by the state in collaboration with NGOs (e.g. charitable, sustainability, migrant), or as part of corporate social responsibility initiatives by businesses and other entities.



ACCESS TO FARMERS MARKETS

A network of Farmers markets could be created, adopting a regional approach. Thus, more Farmers markets would be organised adding to the ones at Ta' Qali and Birgu. Scheduling 'special' direct buses from each main town/village to the Farmers markets on Saturday mornings would be of benefit to those with mobility challenges. Another idea would be to organise Farmers markets at locations where there is a large concentration of potential customers, such as at industrial estates, near hospitals and near tertiary educational institutions.



REDUCE TAX ON VEGETABLES AND FRUITS

Reducing the tax paid on vegetables and fruit may help to facilitate and encourage increased consumption of these foods in line with national dietary guidelines, health professionals' preventive and therapeutic recommendations, as well as climate-friendly and sustainability promoting plant-based diets. It would be advisable to accompany such a measure with targeted educational campaigns or other nudging interventions, such as at Farmers markets, school tuckshops, and higher education, factory and other institutional canteens.

COMMUNITY KITCHEN GARDENS

Health and sustainability promoting schemes involving Community Kitchen gardens could be initiated or strengthened. Through such schemes, individuals are offered the opportunity to access small allotments in their neighbourhood in order to grow vegetables and fruit for use by their family. These Kitchen gardens could be organised as partnerships between Local Councils, gardening retail outlets, NGOs and even as part of after school clubs. Apart from providing sustenance for the family, the kitchen gardens would also foster inclusive communities whereby different individuals and families meet to work on a shared goal of healthy and sustainable food production, encouraging holistic wellbeing.

MORE RECOMMENDATIONS

'HEALTHY FOOD PRESCRIPTIONS' AND 'HEALTHY FOOD BOXES' AS PART OF THE PREVENTION AND MANAGEMENT STRATEGY FOR CHRONIC ILLNESSES

The 'Healthy Food Prescription' or 'Food as Medicine' alternative approaches to healthcare and disease management are both being widely adopted internationally. Healthcare professionals provide these 'prescriptions' to patients (such as in the form of vouchers) motivating and enabling them to buy vegetables, fruits, pulses, high-fibre cereal products, nuts and seeds, as a means to help manage or treat their health condition. This can also have a ripple effect on other members in the household, thus reducing the risk of other members suffering from a similar diet-related illness in the short- or long-term. In some countries, rather than vouchers, individuals with chronic health problems are enrolled by their health professional with a Healthy Food Box delivery scheme (often run by NGOs or local small businesses), whereby the ingredients for a set of healthy meals for the family are provided on a regular basis, together with the recipes and other practical storage and versatility tips. Enrolled patients are obliged to attend nutrition education sessions and dietary counselling to remain eligible for the free Healthy Food Boxes for a set period of time.

These various approaches can be of particular benefit to low-income families.

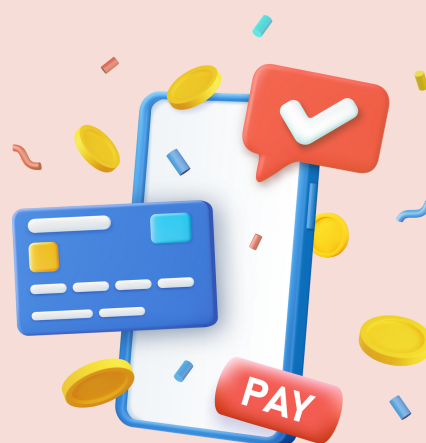


REBATES ON MEDICINE AND HEALTHCARE EXPENSES FOR LOW-INCOME HOUSEHOLDS

A social welfare policy could be established through which rebates are awarded to low-income individuals or families whose annual expenditure on doctor-prescribed medicines and related healthcare items (not available for free under the NHS) surpasses a certain threshold. Based on a means-tested scheme, and using a threshold such as the MiniMEBDL totals, rebates would be calculated on presentation of receipts attached to the doctor's prescription.

A SOCIAL SECURITY DIGITAL CASH

Social Assistance recipients could be further assisted through the implementation of a 'digital cash' for low-income earners, involving digital vouchers and bank transfers. The 'cash' could be apportioned across different priority needs, such as food and medicines, to guide low-income families to better manage their finances. Such digital cash could cater for the essential needs of Social Assistance recipients in a sustainable, efficient and dignified manner. A mobile application could help make this system more accessible.





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