



Caritas
MALTA

MINIMEBDL 2022

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



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MiniMEBDL 2022

Introduction

Every four years, since 2012, Caritas Malta has been conducting a research study 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 - 2 adults and 2 children; 1 adult and 2 children and an elderly couple - with a low-income, to be able to live a basic but a decent quality life.

In 2020, the COVID-19 pandemic struck our islands and over the past two years there has been an impact on the prices creating a steep inflation for many items, in particular for foods and medicinals and other healthcare items. 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, such an increase in prices would be very significant for low income families. Thus, Caritas felt that it was necessary to update the cost of these two categories in a special mini-edition of the MEBDL - MiniMEBDL2022.

METHOD

Food

In February 2022, the foods in the Caritas MEBDL 7-day menus for the three family types were priced in two local, popular and easily-accessible supermarkets. These supermarkets were chosen since they are chain stores which can be found in more than one locality. This helped to ensure that the prices represented what a good segment of the population experienced when shopping for food. As in previous MEBDL studies pricing procedures, value for money was sought when choosing the food items for the basket without compromising on healthiness as far as possible. In the MiniMEBDL2022 quality was also sought with respect to sustainability criteria, such as local, seasonal produce or organic foods and up to a 10% addition in price as compared to a regular equivalent was allowed for this purpose. Another innovation in this MiniMEBDL2022 was the separate pricing of the vegetables and fruits in the MEBDL 7-day menus at three different locations, namely: a supermarket, a local fruit and vegetable stall/vendor and at the Farmer's Market in Ta' Qali.

Medicinals and related healthcare items

In the MiniMEBDL2022 the same list of medicinals and other healthcare products was maintained for the pricing exercise. However, based on feedback from health professionals and due to the ongoing recommendations by the local Health authorities in relation to managing the COVID-19 pandemic, a separate complementary category was created and priced which included a number of items to help protect against the spread of COVID-19... a so-called COVID-19 Protection Package. These included masks for all family members which would be changed daily (as specified by the Health authorities) and sanitise



Results

THE BELOW RESULTS WILL SHOW THE FOLLOWING:

- The total cost of the Food in the 7-day MEBDL menus 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 the three different locations;
- The total cost of the Medicinal and Healthcare Basic items for each of the three family types;
- The total cost of the Medicinal and Healthcare Basic items plus the COVID-19 Protection Package for each of the three family types

Calculations

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Cost of Food Basket

2022 vs 2020



Family Types	Food Basket* 2022		Food Basket** 2020		Yearly Cost Price Increase***	Yearly Cost Percentage Increase***
	Monthly (€)	Yearly (€)	Monthly (€)	Yearly (€)	(€)	%
2 adults 2 children	698.80	8385.60	593.45	7121.38	1264.22	17.75
1 adult 2 children	526.28	6315.36	430.65	5167.82	1147.54	22.20
Elderly couple 65+	351.32	4215.84	281.24	3374.84	841.00	24.92

* February 2022 pricing

**July 2020 pricing

***July 2020 to February 2022



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Cost of Vegetables and Fruits

7-day Menu

Cost of Vegetables and Fruits in 7-day Menu for 2 Adults and 2 Children from
3 Localities*

Supermarket

Fruit and Vegetable Stall

Farmers Market at Ta Qali

€35.88

€37.59

€31.31

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

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Cost of Medicine Basket

2022 vs 2020

Family Types	Medicine Basket* 2022		Medicine Basket** 2020		Yearly Cost Price Increase***	Yearly Cost Percentage Increase***
	Monthly (€)	Yearly (€)	Monthly (€)	Yearly (€)	(€)	%
2 adults 2 children	29.60	355.31	25.59	307.05	48.26	15.72
1 adult 2 children	18.00	215.46	16.08	193.00	22.46	11.63
Elderly couple 65+	46.90	562.71	34.39	412.63	150.08	36.37

* February 2022 pricing

**July 2020 pricing

***July 2020 to February 2022

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Medicines & Healthcare items Basket

+ Covid-19 Protection Package 2022

Family Types	Medicine Basket Basket 2022*		Medicine & Healthcare 2022* + Covid Package	
	Monthly (€)	Yearly (€)	Monthly (€)	Yearly (€)
2 adults 2 children	29.60	355.31	99.43	1193.17
1 adult 2 children	18.00	215.46	70.47	845.69
Elderly couple 65+	46.90	562.71	81.80	981.64

* February 2022 pricing

SOME OBSERVATIONS

Food

The percentage increase in the cost of the MEBDL Food category between 2020 and 2022 ranges from 18 to 25%, with the highest increase in the cost for the Elderly Couple. This is likely due to the fact that their MEBDL 7-day menu includes a greater proportion of fresh produce, and the increase is distributed over 2 people rather than 4 people (e.g. 2 Adults and 2 children). This spike in a low-income family's required expenditure on food in order to eat healthily and sustainably is a matter of concern, also when considering that, in choosing the products for pricing, getting value for money and being economical was kept in mind.

Some examples of this are:

Pricing items available by weight where possible: These included the almonds, lentils and bigills, which were significantly cheaper than the already packaged ones. Additionally, unroasted almonds were much cheaper than roasted ones. Roasting the almonds at home for a few minutes in the oven could result in notable savings.

Pricing items in their dried rather than the frozen or canned version where available: These included the broad beans and butter beans. Even though these products will require a bit more preparation (rehydration) they will also be more economical to store than frozen items as they do not require refrigeration. In addition, they have a long shelf life which allows one to buy in bulk if any special price promotions are running.

To comply with the MEBDL 7-day menu requirements, chicken breast was priced. However, buying a whole chicken and jointing it to use it in different dishes would have been more economical. For less than the price of 1 kilo chicken breast one can buy a whole chicken from the supermarket.

The exercise to identify food products which were both healthy and sustainable without overly raising the price presented some interesting, yet limited, results. In order to determine the cheapest product, without allowing in-store promotions and different quantities confound the measurement, the price per kilo was used. Only a few healthy and sustainable products were found in the price range of up to 10% more than the cheapest option. Most of these were very similar, if not identical, to the cheapest option. Items which were substituted for the cheapest, less healthy and sustainable, food were:

Apple juice: A variety was chosen that was exactly 10% more expensive than the cheapest option. It was made using organic apples and the packaging was made from recycled paper.

Light yoghurt: A variety was chosen that was 5% more expensive than the cheapest option. This product had fewer ingredients which were genetically modified compared to the cheapest option.



VEGETABLES AND FRUIT:

Buying vegetables and fruit from the Farmers market was generally cheaper for most produce (see Appendix). This was especially true for vegetables and fruit grown locally. Some exceptions were cucumber, zucchini, oranges and bananas which were more expensive from the Farmers market. Some notable price differences emerged for produce bought at the Supermarket or Fruit and Vegetable Stall compared to the Farmers market. Cherry tomatoes, eggplant, garlic, green pepper, mushrooms, spinach and turnip were at least 1€ cheaper per kilo at the Farmers market. Another 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.

The Supermarket offered a wide variety of vegetables and fruit, both local and imported. For the purpose of MEBDL 7-day menu pricing, the cheapest offering was selected, though this was not always locally produced. A few items were cheaper than those priced at the Farmers market. These were mostly imported products, such as bananas, cucumbers, oranges and zucchini.

Comparing the total cost of buying the MEBDL 7-day menu vegetables and fruit from the 3 different localities, it is evident that produce bought from a Fruit and Vegetable Stall amount to much more than when bought from a Supermarket or the Farmers market. Some produce was much more expensive at the Stall, some were similar in price to the other locations, and a few were cheaper from the Stall than from the Supermarket, such as the mushrooms, the cherry tomatoes and the spinach. There were also some vegetables and fruit which were cheaper from the Stall than from the Farmers market, such as the red pepper, zucchini and bananas, typically imported items. Overall, however, the prices from the Vegetable and Fruit Stall were much more expensive than those of the Supermarket and the Farmers market.

This comparative pricing investigation clearly suggests that individuals who are on a tight budget should preferably buy vegetables and fruit from the Farmers market. These are not only cheaper, but they also have a high nutrient retention as the journey from farm to table is very short, thus getting more nutrient value for money.



SOME OBSERVATIONS

Medicines and Healthcare Items

The percentage increase in the cost of the MEBDL Medicines and Healthcare Basic items basket between 2020 and 2022 ranges from 12 to 36%, with the highest increase once again emerging for the Elderly Couple. 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 also less simple ailments some of which may result in recurring expenses in order to maintain a functional and comfortable living. This increase is also of grave concern as it results in a significant dent on these elderly citizen's income. The percentage increase for the other 2 family types is also high, though to a lesser degree. Of note is that a specific item which raises the cost of this Medicines and Healthcare category is bone density/osteoporosis tablets. One augurs that the 2021 Budgetary measure to present this medication for free to elderly people is implemented in the near future.

If one had to add the COVID-19 Protection Package to the Medicines and Healthcare Basic basket, then the cost for the whole category shoots up for all the 3 family types. Buying these COVID-19 related items likely results in financial hardship for low-income families, who may decide to forsake incurring this expense and thus put the family members' health at risk.



An interesting observation made by pharmacists consulted during the MiniMEBDL2022 pricing exercise was that many clients, especially elderly ones, were buying Vitamin D tablets as a preventive measure with respect to COVID-19 risk management. The cost for a daily supply of such tablets for an Elderly couple would amount to approximately 226 Euro annually.

RECOMMENDATIONS

FOOD BANKS:

Set up hubs to collect food which is going to waste, particularly from supermarkets and restaurants. This can involve consolidating and expanding the programme launched by the Alleanza Kontra l-Faqar to reduce food waste from supermarkets by donating food with a close expiry date to food banks or other NGOs (e.g. faith or migrant associations) who are in touch with vulnerable low income individuals or households. Develop No-Waste Food apps to connect low income families with sources of extra/surplus or about-to-expire food which is going to waste.



ACCESS TO FARMERS MARKETS:

Increase the localities where Farmers markets are organised. Perhaps start with a regional approach. Organise a few 'special' direct buses from each main town/village to the Ta Qali Farmers market on Tuesdays and Saturdays.



REDUCE TAX ON VEGETABLES AND FRUITS

Reduce the tax paid on vegetables and fruit in order to facilitate and encourage increased consumption of these foods which are highly recommended by Health authorities for overall holistic wellbeing. Accompany such a measure with targeted educational campaigns or other nudging interventions, such as at school tuckshops, and higher education, factory and other institutional canteens.

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

By providing such Prescriptions recipients are encouraged 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

RECOMMENDATIONS



REBATES FOR LOW-INCOME EARNERS

Rebates for low-income earners when the annual expenditure on GP prescribed medicines and related healthcare items (not available for free) surpasses a certain threshold. Based on a means-tested scheme, and using a threshold such as the mini-MEBDL totals, rebates would be considered on presentation of receipts attached to the GP's prescription.

Digital Vouchers

Implement a 'digital cash' for low-income earners, involving digital vouchers and bank transfers, to deliver 'cash' to social assistance recipients. Developing a digital cash system, with related digital transaction platform and a mobile application mounted on smartphones or smart cards, could cater for the essential needs of individuals and families receiving social assistance in a sustainable, efficient and dignified manner. It might also help the recipients to budget their finances better across categories, such as Food and Medicines and Healthcare items.





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