



Markets for Nutrition

Making safe, nutrient-rich foods more accessible to people on low-incomes is one way to reduce micronutrient undernutrition (the lack of essential nutrients and minerals required by the body for healthy development). Efforts to integrate better agriculture and nutrition are focused on this goal, and many initiatives target low-income farm households. Examples of this approach include distribution of orange fleshed sweet potato vines, and promotion of home gardens and schemes to increase the production and consumption of nutrient-rich foods (fish, fruit and vegetables, chickens) by farm households. In South Asia, a large proportion of the poorest people depend on agriculture for their livelihoods, so farm-based initiatives are important. However, it is increasingly recognised that most low-income households buy some or all of their food in markets. Even farm households frequently buy some of their foods in markets and dependence on markets for obtaining food is even greater for rural non-farm, landless and urban households. In addition, public agencies often acquire food for distribution to low-income households through markets.

How markets for these food products work, or fail to work, has a big impact on undernutrition. Understanding how agri-food value chains function beyond the farm, and how policy interventions can make these chains more effective in reducing undernutrition, is a critical area not yet sufficiently examined. A variety of actors are involved in the marketing, processing and distribution of food, ranging from government agencies to the private sector (big and small, formal and informal). Development agencies and national governments are increasingly looking to mobilise the private sector to help reduce undernutrition, and deliver nutrient-rich, safe food to people most affected by undernutrition. Can they do this, and what partnerships between public and private actors are needed to ensure success? New work planned by LANSA seeks to answer these questions.



The LANSA agri-food value chains research

Research teams in Bangladesh, India and Pakistan will investigate the effectiveness of different routes for delivering good quality nutrient-dense food to low-income and undernourished people. The potential routes are many and varied. They include:

1. Promoting local markets for nutrient-rich foods (millets, dairy, vegetables, etc.);
2. Food distribution programmes (such as the Public Distribution System in India);

◆ Shukti Doi yoghurt: product of a partnership between private and non-profit sectors.

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3. Mandatory fortification programmes for staple foods (such as adding vitamin A to cooking oil, or cereal-based products, to reduce the incidence of blindness);
4. Marketing of products enhanced with vitamins and minerals aimed at particular population groups. For example the Grameen Danone shokti doi yoghurt for children was targeted at families in low-income communities.

The research programme will examine specific examples of all types of these interventions to better understand their effectiveness in enhancing the availability, affordability, acceptability and consumption of nutritious foods by low-income households, on a sustained basis. It will pay significant attention to the challenges of implementing food-based approaches to improving the nutrient intake of infants and women of child-bearing age. The ultimate aim is to identify the most effective strategies for ensuring that nutritious foods reach low-income households and are consumed by the people most in need of them. We want to explore the best ways for governments to promote this goal, through policies that support and shape food markets across the region.

To examine the potential for interventions that focus on what happens to food once it leaves the farm, the first step is to analyse existing interventions. The research programme will conduct a series of empirical case studies of specific initiatives. The selection of these case studies in Bangladesh, India and Pakistan followed a review of existing value chain-based interventions. The next stage of the research will address basic questions about their effectiveness:

- How well do these markets work?
- How well do food-based initiatives for reducing undernutrition succeed in reaching the most undernourished?
- What role can governments play in food markets and distribution, both directly and through facilitating the activities of other agents?
- What is preventing businesses from investing in food for the poor and undernourished?
- What are the opportunities for policies to enable markets to work better?

Such questions are not easy to answer. As well as requiring a better understanding of food systems and how undernourished people buy their food, they also raise issues relating to:

- **Gender.** Who makes household decisions about food purchases? Whose workload is affected by decisions to buy and/or process different foods? Do female infants and women of childbearing age have access to the food they need?
- **State capacity.** How can States in South Asia make food-based strategies for reducing undernutrition more effective? Are they willing and able to intervene in the ways that are required?
- **Innovation.** Delivering foods to populations beyond the farm requires collaboration between multiple actors, private and public. How is the coordination of these different actors best achieved?

Existing evidence

Given the high rates of micronutrient deficiencies and low consumption of nutrient-rich foods in the region, it is clear that public and private initiatives to provide sufficient nutrition for low-income populations need to do better. Nutrient-rich foods are available in most countries, but they do not reach everybody, particularly low-income households. Initiatives based on market incentives typically face two overlapping sets of market constraints that inhibit them from marketing nutrient-rich foods to these groups:

1. **Constraints related to nutrition:** low awareness/demand, poor information and difficulties in targeting products at priority groups infant children, adolescent girls, and pregnant and breastfeeding women;
2. **Constraints related to the characteristics of markets serving low-income groups:** high costs of distribution, low population density and low spending power.

Actions to address these constraints could take several forms, including 1) purely public initiatives, 2) public-private partnerships of various forms or, in some cases, 3) action by businesses. In fact, many sustained business ventures producing nutrient-rich foods for low-income households have been in the form of public-private partnerships or social enterprises.

Initial findings from survey of interventions in South Asia

LANSA undertook reviews of all three types of value chain interventions in Bangladesh, India and Pakistan. The review showed that all of the different interventions face challenges in distributing their products to undernourished consumers. The success of such interventions relies heavily on well-functioning markets and distribution systems, and on consumer awareness of the value of nutrition; characteristics which are often lacking. As no successful examples exist it is necessary to study the *potential* of market-based interventions in enhancing the consumption of nutrient-dense foods by low-income, undernourished populations. Interventions promoting naturally nutrient dense foods and foods of enhanced nutritional value struggle to ensure that the product is affordable and accessible to those who most require it. In addition, consumers need to have a certain level of nutritional awareness to prioritise purchasing such foods. For food distribution programmes ensuring a consistent supply of produce and ensuring it is actually being consumed by the targeted populations, are essential to their success. The diversity of these supply, distribution, marketing, and consumption challenges necessitates the involvement of multiple sectors in order to overcome them.

This makes public-private partnerships important in ensuring that nutritious food is delivered to and consumed by undernourished people. In addition, people affected by undernutrition belong disproportionately to lower income groups, who buy food in the informal sector. This makes it important to identify market-based solutions in both the formal and informal sectors.

Policy implications

These initial findings help identify some broad implications for policy:

Some agricultural development initiatives could expand the benefits of their programmes to improve nutrition outcomes for low-income rural non-farm, landless and urban households.

Agricultural development initiatives are still largely being used as a tool to improve livelihoods, not nutrition outcomes. To the extent that there is a nutrition focus, this is largely confined to promoting

improved consumption on beneficiary farms. Many interventions focus on improvements in incomes and yields for the benefit of farmers and their families. Even when nutrient-rich foods are the outcome of such interventions, the focus is on the producer and not the off-farm consumer. While these initiatives increase the overall supply of such foods, this will not necessarily ensure that the diets of the undernourished improve. Dairy interventions, for example, are mostly focused on improving the supply and quality of dairy products, and specific efforts have to be made to direct the products to undernourished people. There may be scope for expanding such initiatives so that they also improve nutrition amongst identified target groups. It is important to consider what types of incentives would be necessary for this to happen.

There needs to be more focus on the informal sector, but providers in that sector need to improve safety and nutritional quality

Agri-food value chain interventions which have a focus on providing nutrient-dense foods to low-income consumers typically work to modernise existing value chains. They do this through improving technology, linkages, processing, investment and training. However, such interventions typically do not work with informal sector food businesses and industries, which are the source of much of the food bought by low-income households. Informal sector providers tend to be competitive on cost and have good knowledge of local needs. However, these providers need to improve the safety, nutritional quality and consistency of their products if this sector is to play a significant role in reducing undernutrition amongst low-income groups.

Fortified staples have a strong potential to address undernutrition amongst target populations, but require the right processes and policy in place.

Food fortification has the advantage of reaching very broad swathes of the population at a relatively low cost. Fortificants can be selected to address particular health problems and the

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associated nutrient deficiencies (anaemia, zinc deficiency, etc.). However, the effectiveness of such interventions depends on two factors. The first is ensuring that the correct levels of fortification are achieved and products reach households without undue degradation of quality. This requires effective government regulation of food fortification businesses. The second is to ensure that the fortified foods are accessible and affordable for the poorest households; otherwise, they will continue to use non-fortified alternatives.

Private sector-led interventions marketing fortified products need to be creative to be affordable to consumers in lower income groups.

Businesses in South Asia do market fortified non-staple foods. These products are

marketed to a range of consumers, and in some cases sales to higher-income groups subsidise sales to low-income groups. When sold to low-income people, affordability is a critical issue, and so packaging in small quantities is important. Brands like GroAur in Pakistan advertise to households who already have some nutrition awareness, a strategy which could potentially exclude many low income households. Particular efforts have to be made to ensure these products reach poor consumers. This may be through directed and subsidised marketing programmes targeted at the poor (for example, Grameen Danone yoghurt, which is produced in the size and at a price point that low-income households can afford), or a combination of private production and public distribution (Tiger Brand biscuits).

Further reading

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Credits

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Conclusion

Building more effective linkages between agriculture and nutrition requires initiatives on multiple fronts. Some of these initiatives will focus on improving farm inputs and the diets of farm households. Equally, however, improving the flow of food along value chains from farms through to consumers in both urban and rural areas should improve the diets and contribute to reducing nutritional deficiencies amongst larger undernourished and low-income households. Understanding how food value chains work and the role of both public and private actors in making them work more effectively should enable better policy interventions to improve agriculture-nutrition linkages.



LANSA is an international research partnership, exploring how agriculture and agri-food systems can be better designed to advance nutrition in South Asia. Led by MS Swaminathan Foundation, members include BRAC, Collective for Social Science Research, Institute of Development Studies, International Food Policy Research Institute and Leverhulme Centre for Integrative Research for Action on Health. LANSA is funded by the UK Government. The views expressed in this document do not necessarily reflect the UK Government's official policies.

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