



LANSA
Leveraging Agriculture for
Nutrition in South Asia

Value chains for Nutrition

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Synthesis Brief



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A village market in
Koraput district,
Odisha
Photo credit: LANSA

LANSA research examined the effectiveness of interventions along agri-food value chains beyond the farm gate for consumption of nutritious food by vulnerable populations on a sustained basis. The India review classified forty shortlisted interventions into categories of naturally nutrient dense foods, fortified foods and food distribution (Parasar and Bhavani, 2016).

India review: key findings

Fortified staples have strong potential to address undernutrition among target populations, but require necessary processes and policy.

Interventions led by private sector do not market their fortified products solely to consumers in lower income groups.

Markets play a significant role in distribution and enabling access to nutrition by integrating product customisation, packing and pricing mechanisms.

Direct link between private sector players and producers for marketing of farm produce removes intermediaries in the value chain, ensuring better income for the producers, and improves quality of produce reaching the post farm gate consumer.

Food distribution chain is important to reach poor and vulnerable populations in a targeted manner.

Case Studies:

Three case studies were studied in detail to examine the effectiveness of the value chain, the challenges, and areas of policy support needed for delivering nutrient dense foods to poor populations following the Maestre et al. (2017) framework:

1. Amulspray as an example of a business-driven agri-food value chain of a fortified, naturally nutrient-dense food targeted at infants (Parasar and Bhavani 2018a);
2. Iron-fortified Tiger brand biscuits of Britannia Industries Limited as an example of a food of enhanced nutrient value manufactured by private business, reaching low-income households (Parasar and Bhavani 2018b); and
3. The Supplementary Nutrition Programme (SNP) under the Integrated Child Development



INDIA

Scheme (ICDS) as an example of an agri-food based food distribution value chain targeted at women and children (Parasar and Bhavani 2018c).

Scope for nutrition

The SNP under ICDS is unique in using the lifecycle approach to reach some of the most vulnerable population groups, viz. children, pregnant, and lactating women, has potential to create impact on nutrition outcomes at scale and is important in the context of developing economies with large undernourished populations. Two different models of the SNP under ICDS - the public sector model in Telangana, and the public-private partnership model in Tamil Nadu were studied. The **scope for public-private partnerships (PPP) and role for private business engagement to improve nutrition outcomes with innovative dimensions was seen in the Tamil Nadu model.**

Unlike business-driven value chains, all consumer and producer requirements listed under the conceptual framework do not apply to food distribution value chains. For instance, the issue of capturing value and incentives do not apply to the state-led value chain actor like Telangana Foods (state-owned pre-mix producing unit in Telangana). However, the issue of incentives comes to play for the actors in the PPP model of Tamil Nadu. Although there is danger of inefficiency with cost management in state-funded food distribution programmes, there is also scope for innovation and larger welfare benefits as seen in the engagement of women's cooperatives in Tamil Nadu. Clear objectives and alignment of actors' motives with them, the level of trade-off between efficiency and social welfare in organisation of the production system, and sustained funding are some of the supply-side requirements. From the consumer perspective (in the absence of signalling), a mechanism for grievance redressal will help promote better delivery. Therefore, **an alternative framework that addresses the requirements of the food distribution value chains will be useful** (Bhavani and Parasar 2018).

In the case of business value chain, the business rationale and business environment seem to limit businesses from having a definite nutritional focus. This falls under the requirement of institutional environment for value chains and is influenced by formal and informal factors in the framework discussed by Maestre et al (2017). **A government role is called for here to create the required institutional environment and to re-orient the value chains to target an increased nutritional intake by the Bottom of Pyramid (BoP).**

In the iron-fortified Tiger biscuits case, an enabling institutional environment could have ensured the continuity of an initiative that was showing potential to make an impact at scale. In the Amulspray case, the product is governed by the international ban on the promotion of infant foods reinforced by the national legislation. This led to a limited use of the product as a complementary food, and encouraged alternative uses as milk powder in tea and desserts. However, it is **an accessible and affordable product that could receive a boost as a complementary food for infants.**

Policy support

State support for initiatives to enhance consumer awareness about nutrition and packaged food can facilitate informed consumer choices, and will create a favourable institutional environment for businesses to focus on nutrition. The BoP in developing countries is a large market for the private sector, and it is imperative that the State plays a proactive role in providing an enabling institutional environment to encourage private businesses to have a nutrition focus and promote public health at large (Parasar and Bhavani 2018d).

In conclusion, **a stronger government role in shaping agri-food value chain pathways for public health objectives to be achieved**, can deliver better nutrient-rich foods to vulnerable groups. State role and institutional environment are very important to bring necessary focus on agri-food value chains with a nutrition focus.

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