

ICN2 Second International Conference on Nutrition

better nutrition better lives

Food and Agriculture
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Organization**E****PREPARATORY TECHNICAL MEETING
FOR THE INTERNATIONAL CONFERENCE ON
NUTRITION (ICN2)****Rome, 13-15 November 2013****Session 4***What are the policy lessons learned and what are the success factors***Panel 2: The influence of agrofood policies and programmes on
the availability, affordability, safety and acceptability of food***Summary***Henson, S.; Humphrey J.****I. Key Issues**

1. Much of the focus on the linkages between agriculture and nutrition has, hitherto, focused predominantly on the benefits of agricultural growth for farm households through improvements in farm incomes and own-consumption of more nutritious food. The impact on intake of micronutrients, however, is recognised to be weak. There is increasing interest in the links between agriculture and nutrition outcomes for households that purchase food in markets, including farm households that are not self-sufficient in food for some or all of the year, rural non-farm and landless households, and urban households. This paper focuses on value chain initiatives for the market provision of foods as part of a balanced diet, with particular attention paid to the role of businesses, large and small, in developing and serving food markets.

Food-based approaches and the role of value chains

2. The following challenges have to be met for successfully marketing more nutritious food to the poor¹:

¹ This modifies the four factors set out in Hawkes, C. and Ruel, M.T. (2011) 'Value Chains for Nutrition', paper presented at Conference Leveraging Agriculture for Improving Nutrition and Health, New Delhi, February.

- **Acceptability:** food must be in a form that is acceptable to poor consumers given established tastes and consumption practices, social and cultural norms, etc.
- **Availability:** food must be present in locations that are physically accessible and socially acceptable, to the poor.
- **Affordability:** those needing the food must be able to afford it. Consumers must be willing to pay for the food, which is in part dependent on consumer awareness and the confidence purchasers have that the food purchased has the benefits claimed for it. Hence, nutrition awareness and the effective signalling of nutrient properties are important. The fact that nutrients contained in food products are mostly ‘credence characteristics’ (unobservable to purchasers and consumers of food even after consumption) is a major challenge.
- **Safety:** The food must be safe to eat in that it is free of microbiological, chemical and physical contaminants. This challenge has implications for the integrity of food value chains.
- **Nutritional quality:** The food must contain the nutrients in which consumers are deficient in sufficient densities to allow for an appreciable improvement in intake, and not contain anti-nutritionals that impede bioavailability.

3. At the same time, the food value chain has to be sustainable in business terms. It has to provide incentives for the production and distribution of more nutritious foods and enable businesses to create and capture value. Experience suggests that these conditions are very challenging to meet.

Applying value chain interventions to markets for more nutritious foods

4. Food-based approaches to combating undernutrition are heterogeneous and different food products are directed at meeting particular nutrition challenges. The paper considers four particular scenarios: 1) lack of dietary diversity; 2) specific nutrient deficiencies (such as Vitamin A, iodine or zinc); 3) inadequate nutrition for infants as they make the transition from breast milk to solid foods; and 4) severe acute malnutrition. Thus, it examines how the value chains delivering the products that address these different nutritional challenges manage the issues of availability, affordability, acceptability, safety and nutritional value?

Increasing dietary diversity

5. Value chain-based interventions can enhance access to foods such as meat, fish, dairy products, pulses, fruits and vegetables etc. that are naturally rich in micronutrients. Such foods continue to be accessed primarily through traditional markets and value chains that offer low prices, flexibility in product standards and convenience of purchasing. However, there are significant difficulties in communicating the benefits these foods provide to consumers and, in so doing, motivating ‘willingness to pay’. In addition, such chains are frequently characterised by weak infrastructure for transport and storage and lack of integration between production and distribution. Value chain-based interventions in this context frequently focus on enhancing production and reducing post-harvest losses so that the products become more available and affordable to the poor.

6. Processed foods can also play a role in increasing dietary diversity, but for these there may be problems signalling nutrient quality and achieving safety, availability, acceptability and affordability. Such challenges are not insuperable, but specific efforts need to be made to develop marketing channels and product formats that can reach the poor.

Nutritionally-enhanced products

7. There are many nutritionally-enhanced foods produced and marketed in developing countries, including bio-fortified crops and fortified foods. Affordability is a major problem, not only because of the costs of production, but also the costs of product development and testing, setting up reliable supply systems, distribution and difficulties in signalling their benefits to potential consumers. Many nutritionally-enhanced food products have been developed through partnerships between the public and private sectors that defray development and/or testing costs or provide early demand for products.

8. Whilst food fortification, particularly mandatory fortification, may avoid many of these problems, challenges still arise. These include the ability of processing firms to source good-quality fortificants cost-effectively and ensuring that all the companies involved in the fortification process meet the relevant standards on a consistent basis. The more processing companies there are, the more difficult it is to maintain adequate oversight of product quality.

Infant complementary foods

9. Good quality complementary foods are essential to managing the transition from breastfeeding to solids. They need to contain levels of energy, proteins and micronutrients suitable for infant feeding. Provision is frequently split between high-priced, good quality products that poor people cannot afford, and cheaper products whose nutrient qualities are either deficient or hard for consumers to assess and whose safety may also be in question. Developing complementary foods that are nutritious, safe and affordable is challenging enough, but there is also a complex policy environment arising from the mis-selling of such products and the need to regulate how they are promoted.

Therapeutic foods

10. Ready-to-Use Therapeutic Foods (RUTFs) are now widely used to treat severe acute malnutrition. The model developed by international organisations and national governments is based on the tight control of production and public distribution. This model avoids many of the value chain challenges facing companies looking to market nutritionally-enhanced products, including establishing the nutritional value of the product in the mind of the consumers, establishing new distribution channels, securing a sustainable finance model, certifying the quality of the product, eliminating or controlling opportunistic claims by low-cost imitators and ensuring affordability.

II. Policy Recommendations

11. There is a key role for the public sector, including developing country governments, bilateral and multilateral donors and non-governmental organisations (NGOs) in supporting value chain-based initiatives aimed at bringing dietary and nutritional improvements to the poor:

- Offsetting the costs and/or defraying the risks associated with the adoption of new business models by value chains actors for more nutritious foods in general, and the development and commercialisation of nutritionally-enhanced foods.
- Promoting consumer demand for more nutritious food, and in particular foods that are naturally rich in micronutrients, such that there are significant public good aspects of nutrition education and promotion campaigns.
- Developing and/or supporting mechanisms through which the integrity and signalling failings of value chains, especially nutritionally-enhanced food products, can be alleviated.
- Laying down governance arrangements that permit and facilitate the marketing of more nutritious foods on the basis of their potential nutritional benefits, whilst at the same time minimising the risk of false claims.
- Provide support for and/or put in place mechanisms through which more nutritious foods can be made available, affordable and acceptable to the poor.

12. The difficulty for policy-makers is that many value chain-based interventions remain unproven in terms of their dietary and nutritional impacts on the poor. Thus, there are few (if any) examples of rigorous assessments of value chain-based programmes. Such assessments need to relate to not only nutrition effectiveness and the extent to which the products reach and are consumed by the populations whose nutritional deficiencies need to be addressed, but also to the costs and benefits of different value chain strategies. Investment is needed in the assessment of value chain-based interventions, and in particular the role of the public sector in promoting and/or facilitating these.

13. There is clearly a significant role for value chain-based interventions aimed at enhancing the availability, affordability and acceptability of nutritious foods to the poor, whether foods that are naturally rich in micronutrients or that are nutritionally-enhanced. By implication, this implies an appreciable role for the private sector in efforts to tackle micronutrient malnutrition in developing countries. That being said, the efficacy and cost-effectiveness of these interventions at bringing dietary and nutritional improvements amongst the poor remains largely untested, both in terms of their immediate impacts and more so at achieving impacts that are sustainable and at scale. Further, value chain-based interventions are not a panacea; they are likely to work better and they are more suitable for some target groups and foods than others. They should be implemented with and alongside efforts at making the entire food-health complex more nutrition enhancing.