

How Can We Use Markets to Reach the Poor With Nutritious Foods?

To effectively reach poor people, nutritious food must be affordable, available in the market, safe, and must contain the nutrients which it claims to have. Ensuring that nutritious food can reach the most vulnerable cannot be addressed by an individual business or value chain, but rather must be addressed through influencing the market system more broadly. Findings from Ghana, Nigeria and Tanzania on how and where value chains and markets might be made more nutrition sensitive and improve access to nutritious foods for the poorest and most vulnerable communities show that markets face many challenges in bringing nutritious foods to the poorest and most vulnerable.

Food is only one part of the solution to tackling undernutrition, albeit an important one. This is because undernutrition is caused by a number of underlying and basic factors, and the inability to access and consume nutrient-rich food is only one element of poor nutrition. Other non-food contributors to undernutrition must also be addressed; however, this research focuses on food-based solutions to undernutrition.

Key factors to ensure nutrient-rich foods reach the poorest

Affordability: Consumers with relatively low incomes must have the ability to buy nutritious foods. However, products that have been altered to increase their nutrient content, for example through fortification, will require special production, distribution, marketing and other associated costs and, as a result, are likely to be much more expensive than traditional staple foods, and therefore beyond the budgets of those who are poorest.

Appropriateness (quality): For most foods it is usually impossible for consumers to ascertain the nutritional value through sight alone. Where producers want to 'signal' to consumers that their product is more nutritious than that of a competitor, they usually do this through branding or certification. For this to work, consumers need to be convinced by the claims made by brands or certification. This is a challenge in places where consumers are unable to check whether claims made by producers are true and where there are also many fake products on the market. This is especially true in informal markets where the poor are most likely to buy their food.

Acceptability: People's food choices are not only motivated by nutrition; other dynamics including taste, culture and tradition, as well as the convenience of food impact purchasing decisions.

Availability: Companies who sell to poor consumers rely on selling high volumes with a small profit margin to achieve a sufficient return on investment. This can work in densely populated urban areas or in rural areas if there is existing distribution infrastructure. However, in rural areas, which tend to be more thinly populated, distribution can be expensive.

Ensuring that nutrient-rich foods have all of the above characteristics is very challenging, and close to impossible in some contexts – particularly with very poor populations in isolated rural areas. While there are solutions to address each one of these challenges individually, these often involve a trade-off with other product characteristics, meaning companies and value chains struggle to make nutritious food affordable to poor people.

What do those working in the area of markets, the private sector and nutrition in Ghana, Nigeria and Tanzania feel are the critical issues?

The project concluded with three workshops incorporating key stakeholders in Tanzania, Nigeria and Ghana to share the lessons, and discuss the critical issues around private sector and market-based approaches to nutrition in their contexts, and potential solutions and next steps to some of the challenges faced. The key points that came from the discussions were:

Demand creation including building consumer awareness and trust for improved nutritional products is a key challenge in all three countries. This demand creation, in the form of education or nutrition promotion, needs to be holistic – not simply promoting a single crop or product such as orange-fleshed sweet potato or fortified flour – and increase overall demand for nutritious foods within a context of improved understanding of human nutrition needs.

Regulation and enforcement of standards around mandatory fortification. Poor regulation has led to low levels of consumer trust in the nutritional claims of products. Workshop participants were divided as to what the best strategies for increasing compliance would be, but all felt this was a critical issue. Some felt that a ‘carrot’ approach, praising and promoting the companies that were doing well, would be most effective in

motivating businesses to comply. Others felt that a ‘stick’ approach would be more effective, increasing capacity to impose sanctions and penalise those who were not following regulations.

Sustainability of projects and programmes, especially those which relied largely on donor or government funding. Nutrition projects and products that were able to reach the poorest usually relied on some type of donor or government funding. However, donor projects tend to be short-term in nature, and government funding can be dependent on electoral cycles and the interests of the current administration. This does not mean this type of programme is not needed, indeed it might be the only way to effectively reach the poorest and most vulnerable populations, but it is critical to develop policies and programmes that ensure sustainability of programmes over the long term.

Policy recommendations

- **Start with the consumer, not the farmer.** Designing market-based solutions that make it easier for the poorest to access nutritious food requires a clear pathway that sets out the desired outcome from the outset, i.e. improved nutrition for the consumer. Working back from the proposed outcome, practitioners and policymakers can explore dominant logics and underlying assumptions about how poor households make decisions.
- **The informal market is critical, and cannot be ignored.** The informal market is a key place where the poor buy their food and will remain so for the next few decades, at least, in sub-Saharan Africa. More research is needed to understand the drivers of this phenomena as well as how to effectively engage with the informal market to improve food safety and nutritional value of food sold in the informal market.
- **Markets, not value chains.** The multiple, underlying constraints affecting the viability of business models to deliver improved access to nutritious foods for poor people, are beyond the control of a specific business or even value chain. They often reside in the institutions and supporting services affecting the way the market operates. By understanding this broader market system, donors and policymakers can identify the root causes of constraints and identify those actors who have the incentive and capacity to act.
- **Markets are not the most effective ways of reaching the poorest and most isolated populations.** High distribution costs in isolated rural areas with poor infrastructure means products are often unavailable or unaffordable. In urban areas, distribution costs are lower. However, even though, on average, people in urban areas have higher incomes, the poorest are often extremely poor. To reach these populations effectively with nutritious foods, other models should be explored.



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Institute of Development Studies, Brighton BN1 9RE UK
T +44 (0) 1273 606261 F + 44 (0) 1273 621202 E ids@ids.ac.uk W www.ids.ac.uk
twitter.com/IDS_UK #idspolicy facebook.com/idsuk

Further reading

Humphrey, J. and Robinson, E. (2015) *Markets for Nutrient-rich Foods: Policy Synthesis from Three Country Studies*, IDS Evidence Report 161, Brighton: IDS

Humphrey, J. and Robinson, E. (2015) ‘Markets for Nutrition: What Role for Business?’, *IDS Bulletin* 46.3: 59–69, <http://bulletin.ids.ac.uk/idsbo/article/view/101>

Thorpe, J. and Reed, P. (2016) *Addressing Market Constraints to Providing Nutrient-Rich Foods: An Exploration of Market Systems Approaches*, IDS Evidence Report 172, Brighton: IDS

Credits

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