

# Markets, businesses and the challenge of nutrient-rich food

A body of evidence suggests that today's food markets must be transformed if they are to deliver nutrition for the people most affected by undernutrition: poor people and those in the first '1,000 days'. A range of interventions by donors, governments and businesses have provided evidence about what works and what doesn't, and are listed overleaf under *10 Things we know about markets, food and nutrition*. Yet gaps remain in identifying the greatest opportunities for development actors to catalyse broad and sustained change and in understanding which approaches are effective in the complex environments in which most of the world's undernourished people live.

Our research in several African and South Asian countries has uncovered systemic barriers affecting food markets, and has analysed how partnerships, innovative regulation and systemic change approaches might help address these constraints. Through developing tools for project designers, drawing lessons from emerging business models and analysing key policy options, we aim to provide robust evidence and policy recommendations for achieving sustained and scalable change in the face of the immense burden posed by undernutrition.

We are continuing to work with partners to analyse effective policy measures and foster discussion and debate among governments, agencies, NGOs and businesses.

Find out more about:

- IDS work on business and nutrition:  
[www.ids.ac.uk/project/strengthening-agri-food-value-chains-for-nutrition](http://www.ids.ac.uk/project/strengthening-agri-food-value-chains-for-nutrition)
- IDS Business and Development Centre:  
[www.ids.ac.uk/idsresearch/business-and-development-centre](http://www.ids.ac.uk/idsresearch/business-and-development-centre)

## Key Readings

- Headey, D. (2012) 'Turning Economic Growth into Nutrition-sensitive Growth', *In Reshaping Agriculture for Nutrition and Health*, S. Fan and R. Pandya-Lorch, eds.: 39-46. Washington, DC: IFPRI
- Hystra. (2014) 'Marketing Nutrition for the Base of the Pyramid', Paris: Hystra
- Koh, H., Hegde, N. and Karamchandani, A. (2014) *Beyond the Pioneer: Getting Inclusive Industries to Scale*, Mumbai: Monitor Inclusive Markets
- Robinson, E., Akinyele, I. O., Humphrey, J., and Henson, S. (2014) *Policy Options for Enhancing Markets for Nutrient-dense Foods in Nigeria*, IDS Evidence Report 90, Brighton: IDS
- Robinson, E., and Nyagaya, M. (2014) 'Ensuring that Food Fortification will reach the poor in Tanzania', IDS Policy Briefing 72, Brighton: IDS

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# 10 Things we know about markets, food and nutrition

- 1. Food is one part of the solution.** Reducing undernutrition requires tackling its multiple drivers. No one sector or approach is sufficient to resolve the problem.
- 2. Increasing aggregate food production is not sufficient to achieve better nutrition.** Even within farming households, increasing production and incomes do not necessarily lead to greater dietary diversity. Yet a number of major policy initiatives continue to focus predominantly on increasing agricultural growth. The New Alliance for Food Security and Nutrition appears to be continuing this trend.
- 3. Efforts must target populations in the '1,000 days'.** Undernutrition during this period (from when a child is conceived until two years-old) has profound, life-long and irreversible health consequences. Effective food-based strategies must therefore specifically focus on foods that reach women before, during and after pregnancy and children under two years-old.
- 4. Nutritious products must be made accessible to the poor.** Safe, nutrient-rich foods exist in most developing countries, including both raw and processed foods. The problem is that they are not affordable to those most affected by undernutrition.
- 5. Markets at the 'bottom of the pyramid' face specific challenges.** Businesses selling products to low-income populations (those at the 'bottom of the pyramid') face high distribution costs and low profit margins.
- 6. Raising people's awareness of their nutritional needs.** Building viable markets for nutrient-dense products is difficult when people are not aware of key nutritional needs, especially those of pregnant women and young children.
- 7. Because nutrition is 'invisible', it is undersupplied by markets.** Consumers cannot easily judge the nutritional quality of foods, especially processed ones (nutrition is what economists call a 'credence good'). This makes it easy for fraudulent or fake products to enter the market and disadvantages the businesses that do make nutritious products.
- 8. Mandatory fortification programmes for flour, salt and vegetable oil attempt to overcome these problems.** This approach has strong support from donors and governments. In some countries, it has reached large segments of the population. However, this strategy is undermined if regulation is weak. It does not work where poor populations source food from 'informal sector' suppliers.
- 9. Public food distribution will remain crucial to reaching the poor.** The constraints described above underscore why markets will not be sufficient to provide adequate nutrition to the poor in most countries. Public procurement and distribution programmes should remain a central part of policy efforts. If properly managed, they ensure good quality foods and reach 1,000 days populations. The private sector has a role to play in developing and supplying products. Yet funding is inadequate, hence there is also a need to experiment with hybrid public-private approaches.
- 10. We need better evidence about what works in practice.** Although a base of evidence demonstrates the efficacy of various products (their impact when consumed properly by the target groups), there is very little evidence about effectiveness under real-world conditions. Research is needed to assess whether products reach the people that need them most, and whether they are eaten in the correct amounts and frequencies.