

SNP through State Enterprise-linked Value Chain, Telangana

Telangana Foods (earlier known as AP Foods) is a state government enterprise established in 1976 for production of nutritious food for distribution to malnourished children and women under government food distribution programmes. The enterprise was set up with the help of CARE, UNICEF and the Government of India.

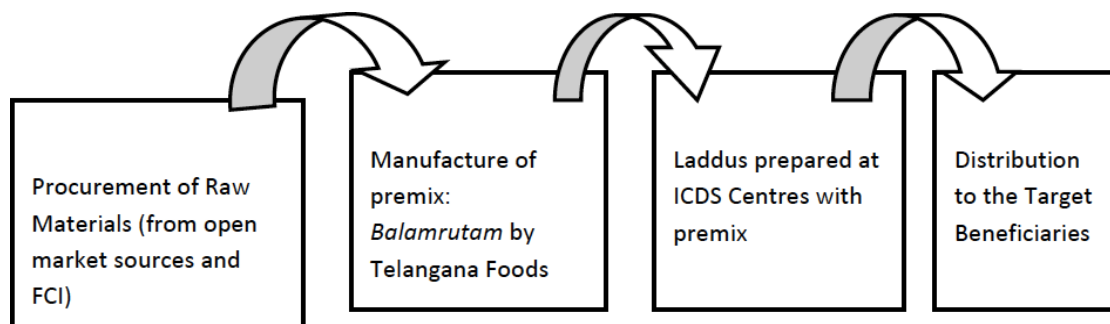
Currently, Telangana Foods manufactures and supplies the therapeutic mix *Balamrutam* and extruded snacks to all the ICDS projects in Telangana. Earlier, other ready-to-cook premixes like *upma*, *halwa*, *khichri* mix and sweet porridge were also being produced. These mixes were given to children alternately to avoid monotony. All the premixes were fortified with additional nutritional content, and they provided 50% of the recommended dietary intake (RDI) to the children.

The production of ready-to-cook food started in 2005. Before that, ready-to-eat food was prepared and fed as porridge or *laddus* to children. The production of ready-to-cook food was stopped in mid-2013, following directives from the government that food locally sourced and cooked fresh should be provided at the centres. The directive, aimed at preventing entry of for-profit, premix manufacturers into the government-sponsored scheme, has however also affected the operations of the government enterprise, i.e. Telangana Foods.

Telangana Foods is an ISO-certified company following standard food technology practices; the costs are met by the Department of Women and Child Development. It has a Nutrition Council headed by the Chief Secretary to the Government of Telangana and includes a member from the National Institute for Nutrition to ensure proper oversight of the nutritional content in the products. This body meets once in six months, and there is an executive committee that meets every quarter and oversees regular operations. The company has a separate quality assurance department that checks food quality at all levels of production, from procurement of raw material to the final product stage. There is a Quality Control check before every product is issued for processing, and there is certification before the final product is cleared for distribution. Wheat is procured from the Food Corporation of India. The sourcing of other food materials is through a tender process. The figure below outlines the value chain for the preparation of premix by the company. The packaging is as recommended by the Indian Institute of Packaging; the institute suggests the parameters for labelling, packing material and other biological and chemical parameters. All residual waste is sold.

Premix Food Supply Chain in Telangana

Figure 1: Premix food supply in Telangana



Telangana Foods is currently catering only to Telangana state. As a result, there is less than 50% utilisation of the production capacity of 300 t/day of the unit. The requirement for the

fortified premix (*Balamrutam*) is 2500 t /month now, and the quantity of extruded snack produced is 150 t /month. The enterprise also supplies to other departments and government programmes on demand; for instance, it was supplying food to AIDS patients under a joint initiative of the state government and the Clinton Foundation; it has supplied food to school children under the social and tribal welfare department, but these engagements have come to a halt after the state bifurcation.

The public enterprise model ensures some of the essential requirements for adequate nutritional intake, including intake of micronutrients and high energy food by children with due attention to quality food safety aspects; and is cost-effective as pricing is done in consultation with the government departments and is as per the allocation available under the relevant programme. Although it was reported that the premixes were less palatable than freshly-cooked food on cooling, they were well accepted for consumption when served hot. The unit is governed by the Essential Services Maintenance Act (ESMA), and there is no labour union. With reduced production, staff strength has been substantially reduced. The company has, however, made investments in expanding its production capacity with state-of-the-art technology, in anticipation of enhanced demand in future.

Source: *Parasar, R. and Bhavani, R.V. (2018) Supplementary Nutrition Programme under ICDS: Case Study of Telangana and Tamil Nadu, LANS Working Paper Vol 2018 No 30, Brighton: IDS*