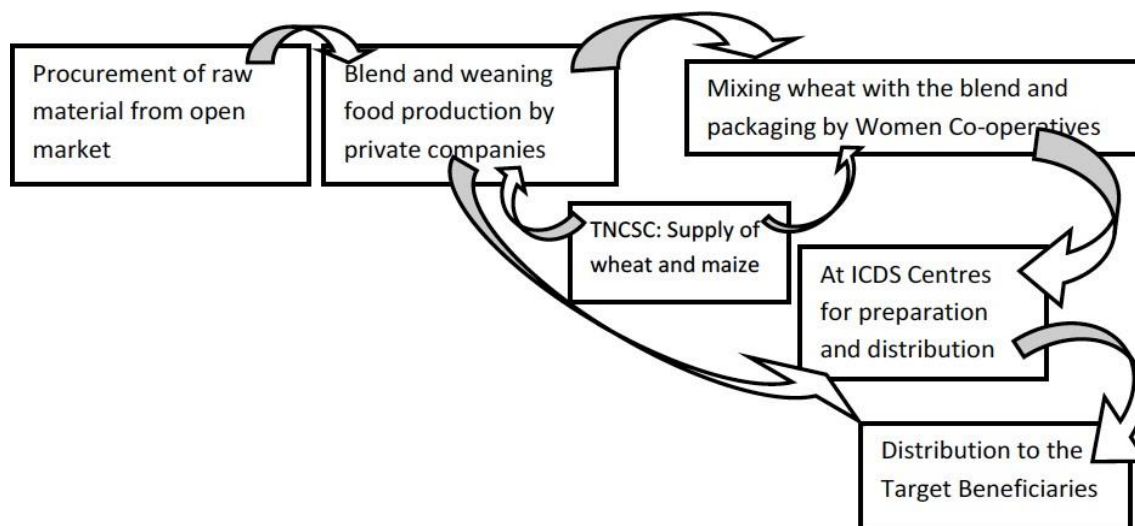


SNP through Private-Cooperative Partnership, Tamil Nadu

The Co-operation, Food and Consumer Protection Department of the state government is responsible for the supply of the major items — rice, pulses and cooking oil — to the AWCs through the Tamil Nadu Civil Supplies Corporation (TNCSC). The AWW calculates the estimated requirement for a centre, and the information is collated at the ICDS director's office, which then coordinates with the TNCSC for the supplies.

Vegetables are bought locally from the market. At times, vegetables are also sourced from wholesale markets in the vicinity. The *Akshaya Patram* scheme that encourages children to bring vegetables to the AWC is in vogue here also. But in most of the AWCs, the scheme is not in practice, as the households feel that the AWW (or the government) is responsible for the provision of vegetables.

The fortified premix is made from a blend of jaggery, chickpea, malted finger millet and micronutrient fortificant mixed with wheat/maize flour in the ratio of 48:52. Wheat is procured from the TNCSC; other raw materials are purchased from the open market. There are two variants of the public-private partnership (PPP) model for the production of the premix in the state: one is the production by a partnership of women cooperatives and a private sector manufacturer and the other by the private sector manufacturer as the sole operator. In the first model, the private enterprise manufactures the blend and the women cooperatives are responsible for the production of the premix along with the blend, as well as packaging and transportation of the final product; in the latter, the entire production, packaging and delivery is the private player's responsibility. About 75% of the total premix requirements are sourced under the private enterprise - women's cooperative value chain. The figure below gives a diagrammatic representation of the two models.



The women cooperatives were initiated by the state government around the year 1988 to empower women socially and economically; the cooperatives are engaged in different enterprise activities, preparing the supplementary nutrition component under ICDS is one of them. The members of the cooperative generally belong to families below-the-poverty line, Scheduled Caste community, widows and destitute women.

Interaction with the members revealed that the women were able to earn a steady income and provide for the upbringing of their children. In the early days of the cooperatives, the production

capacity was limited, as sourcing of the raw materials in the huge quantity required was not always possible due to capital constraints and the limited scale of operation. Processes like milling of flour were outsourced. These bottlenecks affected their revenue. The members are paid wages based on quantity produced, and as the volume was limited, the wages were also low. Moreover, at times there were problems with product quality leading to product rejection and no payment. This was addressed innovatively by the state government about a decade ago by bringing in a private player to manufacture the fortified blend that goes into the premix. There are 25 women cooperatives in the state engaged in the manufacture of weaning food, and they supply to the AWCs across 25 districts and in some cases in other neighbouring districts too.

The blend is manufactured and supplied to the women cooperatives by the private enterprise. The cooperatives source wheat from the Department of Food and Civil Supplies; the wheat grain is milled into flour by them, mixed with the blend in the required ratio and packed and supplied to AWCs. With this arrangement, the cooperatives have been able to increase their production capacity, overcome the risk of procuring raw materials from the open market and tackle problems of volume. Quality standards have also improved as the private enterprise can invest more and have better economies of scale. Currently, the cooperative members get Rs. 2.4 per kg of premix produced, and on an average, a member can earn around Rs. 17000 per month.

The Private Sector: The State Government selects the blend manufacturers through a competitive bidding process; currently, there are two private sector players: Rasi Foods and Christy Fried Grams (CFG). Both the players have been part of the SNP value chain in Tamil Nadu for the last 10 years. Wheat is supplied to them by the Department of Food and Civil Supplies; their dedicated market teams source the other raw materials from across the country based on considerations of quality and price. E.g., finger millet is procured from Karnataka and maize is at times procured from as far as the state of Bihar in east India. So the scale of operation has given the scope to scout for the best quality and competitive prices for the bulk of the purchases.

Rasi Foods manufactures and directly supplies the weaning food (the final product: blend with wheat/maize flour) to centres in 10 districts. CFG directly supplies the weaning food to 4 districts and the blend to all the 25 women cooperatives for the manufacture of the premix. CFG has a production capacity of 1000 mt/month and produces around 550 mt of the blend every month. In addition, the company undertakes production of a popular commercial extruded snack (around 700 mt/month) and also produces its brand of geriatric food (250 mt/month) for the elderly. CFG has its accredited laboratories for microbial and chemical testing of the products. The quality checks are done at different levels of production, right from the procurement of the raw materials.

The production process is largely mechanised from cleaning, de-stoning, husking, and roasting of all the foodgrains to the packaging of the blend and the weaning food. The blend produced contains germinated finger millet that leads to amylase activity in the food leading to better absorption in the body.

Every month the required quantity of weaning food is indented by the ICDS director's office to the two private enterprises and the cooperatives. The anticipated quantities of raw material are procured with a buffer stock of at least 45 days. The final product is given to the AWCs

within a fixed period of about 20-25 days in a month. The cooperatives and the private companies bear the cost of transportation of the weaning food to the AWCs.

The induction of a private sector partner has led to a larger scale of production; the quality standards of the final product have improved; and the wages of the members of the women cooperatives has increased, contributing to their sustainability. Earlier the mix was only provided to undernourished children whereas now it is provided to all children. Moreover, in the districts where the cooperatives do not operate, the private players supply the weaning food directly to the ICDS centres.

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