

File No: FM-11/55/2021-FME

भारत सरकार
खाद्य प्रसंस्करण उद्योग मंत्रालय
पंचशील भवन, अगस्त क्रांति मार्ग
नई दिल्ली-110049

Dated: 27.09.2021

OFFICE MEMORANDUM

Subject: General instructions for preparation of proposal for Marketing & Branding under PMFME scheme (This should be read in line with the marketing and branding guidelines mentioned in section 7 of the PMFME scheme guideline).

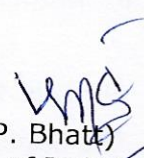
The undersigned is directed to inform you that as per the PMFME Scheme guidelines, Marketing and branding support would be provided to groups of FPOs/SHGs/ Cooperatives or an SPV of micro food processing enterprises. The provisions related to Marketing and branding support are mentioned in section 7 of the PMFME scheme guidelines which includes eligible items of support, eligibility criteria and procedure for applying for obtaining assistance under the scheme.

Further, for guidance in preparing the proposal, items under support, general instructions on various components, which may be elaborated in the proposal, are mentioned in the **annexure** attached.

State Nodal Agencies (SNAs) are requested to ensure that Detailed Project Report (DPR)/proposal for marketing and branding support is prepared accordingly.

This issues with the approval of the competent authority.

Encl. As stated above.


(V.P. Bhatt)
Under Secretary to the Government of India
Tel. 26406612

To

All States/ UTs Nodal Departments/ Agencies

Copy to:

PSO to Secretary, FPI/ Sr. PPS to Addl. Secretary, FPI/ PS to JS (FME)/ DS (RS)

PMFME Scheme Objectives

The Central Sector scheme for Formalization of Micro Food Processing Enterprises under Ministry of Food Processing Industries, Government of India is an important scheme that offers for formalization and mainstreaming the unorganized home based or micro food processing units. The scheme is useful for expansion of the existing units in terms of capacity and technology through installation of new machineries and additional civil infrastructures and Branding & Marketing on the principle of ODOP (One District, One Product). Branding and Marketing Support for Micro-food Enterprises /FPO's/SHG's/ Cooperatives holds prime significance as it paves way for each of them to not only reap benefits of scale but also become success stories that serve inspiration to all.

Guidelines Overview

Marketing and branding support would be provided to groups of FPOs/SHGs/ Cooperatives or an SPV of micro food processing enterprises under the Scheme. Support for branding and marketing would be limited to 50% of the total expenditure. Maximum limit of grant in such cases would be as prescribed.

Procedure for Applying for Branding & Marketing Support

A Detailed Project Report (DPR) should be prepared for the proposal comprising details mentioned in the subsequent pages of these guidelines.

Support for preparation of DPR

Support up to Rs.5 lakh would be available from the State Nodal Agency (SNA) for preparing DPR for Branding and Marketing proposals.

Eligible Entities

The applicant should be a legal entity that brings together micro units of an area including FPOs/SHGs/cooperatives for common branding and marketing of their produce. It could be a private entity or in association with state agencies including SRLM.

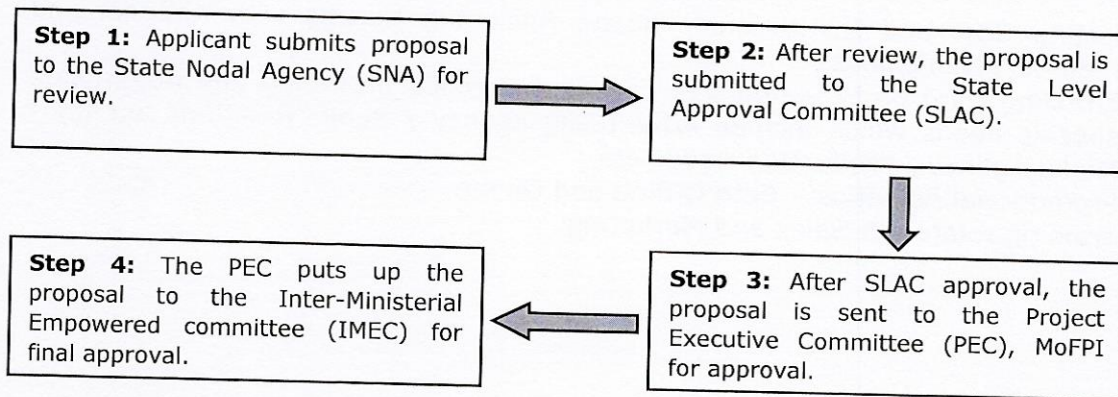
Eligibility Criteria:

The proposal should fulfil the following pre-requisites:

- The Product shortlisted for branding & marketing support should be within the ODOP Scheme.
- Minimum turnover of product to be eligible for assistance should be Rs 5 crore. An exception approval may be considered on case-by-case basis provided a compelling reasoning with requisite supporting is presented.
- The final product should be the one to be sold to the consumer in retail pack
- Product and producers should be scalable to larger levels
- Management and entrepreneurship capability of promoting entity should be established in the proposal.

Procedure for Submission & Approval:

Applicant will submit the **physical copy / electronic copy of the proposal** containing details mentioned in these guidelines along with necessary supporting documents. Once submitted, the following will be the process that each proposal will follow:



Release of Instalment

The first instalment is released on the approval of the project while the second instalment is released when pre agreed milestones are achieved as per the project implementation timelines and the third and final instalment will be released upon achieving the targets / benchmarks that are previously agreed to with the submission of the relevant proof of previous expenditures.

Disbursement of funds shall be done in three phases (50%, 25% and 25% of the approved project cost) on achievement of milestones mentioned in the submitted proposal's work plan on submission of supporting invoices.

The funds shall be disbursed via the SNA to the applicant.

Cut-off date for submission of proposals

The duration of the PMFME scheme is from 2020-21 to 2024-25. There is currently no cut-off date to receive proposals. However, it is expected that all proposals are received well in time to ensure timely and effective implementation of the project proposals.

Number of proposals that can be submitted:

The number of proposals will be subjected to state's interest and potential to scale up the scheme. Ideally, to ensure a rigorous and successful implementation of this scheme, 2-3 proposals should be sufficient but advisable only in case the state decides to launch multiple brands.

Eligible components under support:

- Graphic Designing- Logo design, package design
- Trademark Registration
- Product standardisation (including quality assurance)
- Market Study
- Packaging material
- Warehousing / Storage Rentals

- Listing Cost and Institutional linkage (including tie-ups with national and regional retail chains)
- Enrolling third party vendors to plan and execute Marketing and Advertising specific needs which include Advertising agency / Public Relations agency / Media Agency / Production House etc.
- Promotional Activities – Both Offline and Online
- Training related to Sales and Marketing.

Annexure

General instructions for preparation of proposal for Marketing & Branding support under PMFME scheme (*This should be read in line with the marketing and branding guidelines mentioned in para 7 of the PMFME scheme guideline*)

The guidelines contain two parts- Part A and Part B.

Part A primarily described the basic information to be given as background of the ODOP products selected for the marketing and branding support.

- 1) **One District One Product (ODOP):** A detailed background of the selected ODOP has to be provided highlighting the area covered under ODOP production, production of the produce, product line manufactured from the ODOP, number of clusters, number of micro enterprises, FPOs, SHGs and cooperatives involved in the processing of the ODOP. In addition, if possible, facilitation under various components of the scheme should also be detailed out such as training delivered to the number of beneficiaries in the concerned ODOP, establishment and operation of Incubation centre /Common Facility Centre for the concerned ODOP.
- 2) **Support to groups and SPVs:** A brief note on the number of beneficiaries (SHGs / FPOs / Cooperatives / cluster of micro enterprises) identified for the ODOP branding & marketing proposal carrying information on their background, scope / scale of activities, years of operation, turnover, team composition etc.
- 3) **Types of proposals that are expected:** Since, the marketing and branding component of the Scheme focusses on providing support to the groups and SPV. Therefore, in addition to proposals from SHGs / FPOs / Cooperatives, it is expected that proposals are also received from SRLMs to promote / revive their existing brand or create new brand for the groups of SHGs associated with the production of ODOP based products. SPV may be formed by incorporating government or private entities to take up marketing and branding activities for the common umbrella brand. It is to be noted that the entities involved in the formation of the SPV should have relevant experience in marketing and branding of packaged food products.

Part B are the key components related to marketing and branding activity to be essentially included in the DPR.

- 1) **Brand name** to be used under the proposal. Details and rationale regarding brand name(s). Wherever possible, logo image (reference), tag line and pack images (proposed or existing), trademark search report to conform availability of proposed brand name for use or application / certificate for an existing brand.
 - a. *Brand developed as common brand:* A common brand can be developed under the Scheme for the promotion of the ODOP. The common brand can act as an umbrella brand for SHGs, FPOs, Cooperatives, Federations and micro food enterprises. A cluster approach has to be followed in this regard to achieve the goal of economies of scale.
 - b. *Interventions under State Brand or any existing brands:* If there are any existing state brand and the state is interested in utilizing the same brand

for common branding and marketing, the information shall be provided pertaining to the present annual volume & value turnover, product lines available, geographical markets covered, existing distribution channels, marketing & promotional activities undertaken etc. The proposal should mention the USP of the brand and explain how the alignment of the scheme beneficiaries with the brand is proposed to be achieved.

2) Marketing Plan:

- a. *Introduction:* Details on the identified ODOP including product lines along with production details and cluster areas.
- b. *Product details:* Details of possible product lines of the ODOP may be given. For instance: there could be processing / manufacturing for various coconut products i.e., coconut oil, coconut water, coconut milk etc. This can be referred to as *product width*. Coconut oil can be of different types coconut virgin oil, expeller coconut oil this can be referred to as *product length*. Further various pack sizes (Stock Keeping Units) being offered for each product can be considered as the *product depth*.
- c. *System of Procurement:* The system of procurement of finished manufactured products / packaged products shall be outlined detailing the mode of procurement of the products from the enterprises / FPOs / SHGs / federation, packaging finished products, collection system. It should clearly outline to traceability of the selected product to the district.
- d. *Product standardisation* is an essential for common packaging and branding to maintain the uniformity (taste, texture etc.) of the product. A product can be standardised by developing a standard recipe of the product. The proposal should explain the process of development or adoption of the standardised recipe, if intervention is required from State Level Technical Institute or other National level technical institutes. Relevant quality certifications (mandatory / voluntary) shall be mentioned.
- e. *Packaging:* The packaging may largely depend upon the nature of the contents, physical components and durability. The length of the distribution channel, the amount of handling which the container will receive and variations in climatic conditions which may be encountered between the point of manufacture and sales are also to be considered while deciding the packaging. Hence, the details of type of packaging material to be utilized, packaging machinery required, if any, size variants to be packaged, transportation details etc. Efforts to use environmentally friendly packaging will have an added advantage. Do note that packaging material support shall be provided for the first year of the launch of the ODOP products as a working capital assistance.
- f. *Improvement in product quality and processing methods:* Branding and Marketing requires quality control to ensure that product quality meets required standards. Processing methods adopted for the handling and production of the finished products shall be defined.
- g. *Current Marketing Scenario:* Market information shall be provided with details on demand and supply trends and forecast both in local and national markets. for the targeted products of ODOP. Details of existing micro enterprises involved in the processing of the ODOP and its sales

revenue generated. Information on the existing market players for the targeted products.

Assistance for conducting surveys regarding feasibility studies, market analysis etc. shall be mentioned. For conducting the market survey and analysis of the marketing scenario, an agency may be hired or may be done through existing State level government agency or marketing board, details of the same shall be provided if applicable.

- h. *Target Market (Geography)*: Details of market location (regional / state / PAN India) where the product intends to be sold. Its distance from manufacturers / clusters, availability of transit facility and impact on the final cost of the product due to transportation may be elaborated in the proposal.
- i. *Warehousing/Storage facility*: The proposal should mention whether warehousing / cold storage / storage facility is required for smooth functioning of distribution channel or product value chain in accordance to the product type dealt and the existing practice followed. Please note cost incurred for leasing / renting out the space is eligible for support only for the first year of the launch of the ODOP products whereas construction of warehouse /storage facility would not be allowed.
- j. *Promotional Activities*: Promotional details includes Promotional Strategy, Point of Sales Promotion, Road Shows, Digital Marketing including social media, Print Media, Promotional Collaterals, Hoarding, Canopies, Exhibitions, Fairs etc. Detailed cost break up should be provided for each promotional activity. It should align with the product lifecycle from launch to sustenance.
- k. *Pricing Strategy*: The basis for product pricing the product should be mentioned. A pricing strategy may be based on the factors such as target customer's ability to pay, market conditions, competitor actions, trade margins, input costs etc. The pricing of competition products should be included. This includes the MRP and the channel margins for competition as well as proposed ODOP.
- l. *Marketing and Sales channel (Including Online and Offline)*
 - Dealer / Distributor / Retailer Network under offline marketing mode: Information on Current distribution channel being utilised. Information may be provided for future plans for strengthening the distribution channel.
 - Tapping e-commerce for online marketing, for instance, product listing cost on different online platforms shall be mentioned along with the timelines.
 - Food Services / Institutional tie ups.
 - Marketing tie-up with national and regional retail chains and state level institutions providing details on the cost of listing and shelf space hiring being charged per square feet area with timelines for each retail chain/ institution.
- m. *Plan to increase volume and value turnover*: The proposal should mention details and plan of action on sales strategy. According to the placement of the product, sale projection shall be done for the year. A five-year tentative sales projection may also be given.
- n. *Tapping the export potential through appropriate interventions (Optional)*: If the product selected has an export potential and the entity is interested

to promote it for export market, then details of all the components for marketing and branding for export and details of tie-ups or agreement with the third party, if any, should be mentioned in the proposal.

3) Training and Capacity Building:

Promoting common branding and packaging requires maintenance of uniform quality of the product. Training requirement for the participating enterprises to be detailed out in terms of Good Manufacturing Practices (GMP), use of standard recipe, packaging, handling, branding, labelling and other value chain activities for sales & marketing. The proposal should also elaborate on the following:

- Training Requirement on Marketing and Branding
- Training Plan and its Delivery Mode.

4) **Activity Flow Chart & Work Plan:** of the entire value chain including activities from the procurement of raw material to marketing, critical control points, ensuring quality control should also be properly defined in the proposal. The regulating body, if any, should also be mentioned.

5) **Outlay** of five years maybe provided including input costs, revenue expected to be generated, projected profits, etc.

6) **Project Financials:** The cost breakup of the below heads should be provided with the time duration and unit rate.

- a) Graphic Designing- Logo design, package design
- b) Trademark Registration
- c) Product standardisation Cost
- d) Market Study Cost
- e) Packaging material Cost
- f) Warehousing / Storage Rental Cost
- g) Listing Cost and Institutional linkage Cost
- h) Advertising agency / Public Relations agency cost
- i) Promotional Activities Cost

NATIONAL/REGIONAL LEVEL	
ACTIVITY (Above the Line - ATL)	COST
Radio Ad	
TV Ad	
Newspaper Ads	
Magazine Ads	
ACTIVITY (Below the Line - BTL)	
Hoardings	
Banners	
Sandwich Boards	
Exhibitions / Trade Shows/ Roadshows	
Wall Painting	
Consumer sampling (Dry & Wet)	
Events	
In-store Promotions	
ACTIVITY (Digital Marketing)	
Social Media Promotion (Amplification + Page Maintenance)	
Website Development and Maintenance	
Mobile Application	
WhatsApp for Business	
Search Engine Marketing	
Search Engine Optimization	
Google Ad Words	
Banner Ads	
SMS/Emailer Campaign	
Any Innovation	
ACTIVITY (Public Relations)	
Press Release	
Press Conferences	
ACTIVITY (Through the Line)	
Trade Schemes	

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