



SFAC
Kerala

SMALL FARMERS' AGRIBUSINESS CONSORTIUM, KERALA

(Department of Agriculture Development & Farmers welfare, Government of Kerala)
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SFAC-21/2021

Dated 09-02-2022.

To

All PAOs

Sub: SFAC Kerala -Annual Plan 2021-22 Support to value addition through SFAC -assistance to micro, small and medium agro processing units through SFAC Kerala-administrative sanction accorded - Online applications invited- -Regarding

Ref: G.O (Rt) No-481/2021/AGRI Dated Thiruvananthapuram
14-06-2021.

As per reference cited above administrative sanction is accorded for the scheme Annual Plan 2021-22 Support to value addition through SFAC Kerala-assistance to micro, small and medium agro processing units through SFAC Kerala. Online applications are invited through www.sfackerala.org from eligible entrepreneurs. Subsidy is credit based back ended. Those who have already availed subsidies for similar schemes/components from State or Central Agencies are not eligible to apply.

Online application is through website www.sfackerala.org and starts from 14-02-2022. Those who have already completed factory and started trial run can complete online application and submit spiral bound hard copy to MD SFAC Kerala before 21-02-2022.

Targets Allotted

SI No	Name of District	Subsidy Target (in Lakhs)	Capital Investment (Lakh Rs)
1.	Thiruvananthapuram	50.00	125.00
2.	Kollam	50.00	200.00
3.	Pathanamthitta	50.00	125.00
4.	Alappuzha	50.00	125.00
5.	Kottayam	50.00	125.00
6.	Idukki	75.00	200.00
7.	Ernakulam	50.00	125.00
8.	Thrissur	50.00	125.00
9.	Palakkad	50.00	125.00
10.	Malappuram	50.00	125.00
11.	Kozhikode	50.00	125.00
12.	Wynad	75.00	200.00
13.	Kannur	50.00	125.00
14.	Kasargod	50.00	125.00
	Total	750.00	1900.00

- ✓ Applicants have to submit spiral bound copy of signed copy of print out of application form ,business plan and available documents to SFAC Kerala.
- ✓ ADA Marketing of the district to facilitate maximum online applications from the District.

For any query or support officers or entrepreneurs can contact

- ✓ Office No: 0471-2742110
- ✓ Mob: 93834 70280, 93834 70281, 93834 70282
- ✓ For any query or support entrepreneurs /farmers can contact Karshika Vivara Sanketham Toll Free No: 1800-425-1661 8am-8 pm on all days (Except National Holidays)



~~Managing Director
SFAC Kerala~~

- Enclosed:
- 1) Operational Guidelines of the Scheme.
 - 2) Business Plan Model Format

Managing Director
Small Farmers' Agribusiness Consortium
Thiruvananthapuram

**OPERATIONAL GUIDELINES FOR AVAILING FINANCIAL
ASSISTANCE UNDER THE
SCHEME FOR PROMOTION OF MICRO, SMALL AND MEDIUM
LEVEL AGRO PROCESSING VENTURES
SUPPORTED BY SFAC, KERALA**

1. ABOUT SFAC

Small Farmers Agribusiness Consortium (SFAC) is an organization under the Department of Agriculture, Government of Kerala working for the promotion of agribusiness for the benefit of farmers and entrepreneurs by providing necessary linkages for establishment and running of successful agribusiness.

SFAC Kerala was established as a society registered under the Travancore Cochin Literary Charitable Societies Registration Act on 8th March 1995 with a Memorandum of Association and Article of Association incorporating provisions outlined in the concept paper of SFAC. The area of operation of SFAC, Kerala covers the entire state of Kerala. The primary objective of SFAC Kerala is to facilitate production, processing and marketing of agricultural commodities in the small farm sector by fostering group activities on a sustainable basis. This is to be achieved through:

- i. By catalyzing agro- industrial ventures in the State
- ii. By promoting, assisting or undertaking programmes for production, processing, product diversification and by-product utilization for the development of such commodities and enterprises.

- iii. By identifying and promoting post harvest processing/ manufacturing units in the public, private and cooperative sectors.
- iv. By promoting organization of both domestic and export marketing chains.
- v. By providing financial assistance to projects in agriculture and allied sectors.
- vi. By identifying special area and ventures which have the potential for creation of additional employment opportunities particularly women.
- vii. By identifying gaps in the existing system and establishing appropriate linkages through liaison with the Government departments and other stake holders.
- viii. By undertaking surveys and studies for identifying commodities and enterprises which have potential for development in the state.
- ix. By organizing inputs, material supply and production services through public, private and co-operative sectors.
- x. By sponsoring specific research projects relevant to the activities of the society to the research organizations with appropriate funding and organizing special training programmes for the transfer of technology so developed.

In addition to the above, Small Farmers Agribusiness Consortium (SFAC), Kerala has been entrusted with the implementation of schemes for promotion of value addition of agriculture products, Promotion of FPOs and Agri Start ups in the state.

2. BACKGROUND OF THE SCHEME

The physical loss and quality deterioration of many agriculture produce after harvest is alarmingly high. A strong and effective agro processing sector can play a key role in reducing such post harvest losses and quality deterioration of agriculture products by utilizing the excess agricultural produce for the production of value added products. The growth potential in this sector is immense in view of the changing food consumption habits, which demands better quality and variety. In order to meet this market led need, new approaches are being developed in agricultural sector including projects from farm to fork. Success in such endeavors requires innovations and partnership. Under these circumstances entrepreneurs and farm sector need to work in consort so that their needs are met in a sustainable and cost effective manner. The role of SFAC is to facilitate this process by aggressively promoting agri business projects through various schemes by promoting value addition of agricultural crops in the state.

3. PERIOD OF THE SCHEME

The operational guidelines for the implementation of the Scheme for promotion of Micro, Small and Medium level Agro processing ventures to be implemented during 2021-2022 are detailed below. The guidelines will be valid till revised guidelines are issued or till the scheme is amended.

4. SCOPE OF THE SCHEME

The scheme is intended for promoting value addition and primary processing ventures in the agriculture sector with a purpose of providing necessary forward and backward linkages along with handholding of entrepreneurs.

Primary processing: Fruits and vegetables can be consumed in its raw form without undergoing processing or conversion. Fresh-cut fruits and vegetables (FFV) are products that have been cleaned, peeled, sliced, cubed or prepared for convenience or ready-to-eat consumption but remains in a living and respiring physiological condition. FFV face the challenge of quality retention and shelf life preservation mostly during transportation and handling, automation so as to have competitive cost. Loss of vitamins and other nutrients has been reported during processing and storage of FFV, hence the need for appropriate processing techniques to retain their nutritional and organoleptic properties. Units engaged in primary processing, sorting, washing, grading, packing, minimal processing, modified atmospheric packaging etc using modern innovative scientific technologies and branded packaging using modern machinery will be supported under this scheme. As a part of this scheme enriching the nutritional mix for health and wellness by encouraging ready to cook and ready to eat farm to fork supply chain of agricultural and horticultural commodities -high value vegetables, sprouts, micro greens/nutri greens ,processed fruits and vegetables to be encouraged. For Kerala brand of food products visibility and acceptance in national and international markets to be ensured which will increase employment opportunity by creating off farm jobs and ensure remunerative prices for farm produce and generate higher income for farmers. Creation of Integrated Post Harvest Management infrastructure for primary processing and value addition is to be encouraged with appropriate technology adoption to ensure final products and nutritional security.

Value addition refers to the techniques applied to agricultural produce after harvest for its protection, conservation, processing, packaging, distribution, marketing, and utilization, to meet the food and nutritional requirements of the people in relation to their needs. The purpose of value addition is to maintain or enhance quality of the products and make it readily marketable. Proper methods of processing, storage, packaging, transport and marketing are required for export of various horticultural crops.

5. OBJECTIVES OF THE SCHEME

- Promotion of value addition of produce of the state including primary processing.
- Promotion of agro industrialization
- Commercialization of value added products.
- Enabling small and marginal farmers to obtain better price for their produce.
- Generating employment opportunities especially in the rural sector.
- Providing crucial farm-industry linkage which helps accelerated economic progress.
- Better inflow of credit to the farm processing sector.
- Avoiding wastage of agricultural produce and ensuring its optimum utilization.
- Improvement of socio economic status.

6. DEFINITION

- i. Micro level ventures are those ventures where capital investment starting from 10 Lakhs and maximum amount that does not exceed Rs. 25 lakhs.
- ii. Small ventures are those ventures where capital investment is more than Rs. 25 lakhs but does not exceed Rs. 1 crore.
- iii. Medium ventures are those ventures where capital investment is more than Rs. 1 crore but does not exceed Rs. 5 crores.

7. SCHEME COMPONENTS

- A. Support for promotion of micro level agri based primary processing/ value addition projects
- B. Support for promotion of small and medium agri based primary processing/ value addition projects
- C. Support for new innovative post harvest technology
- D. Support for training and exposure visit

8. PATTERN OF ASSISTANCE

The assistance will be provided as credit linked back ended subsidy as per the following details:

Category of Units	Definition of unit	Pattern of assistance
Micro level	Units with capital investment starting from 10 Lakhs but below Rs. 25 lakhs	50% of investment in building and machinery including effluent treatment plant, office equipment etc limited to Rs. 10.00 lakhs
Small	Units with capital investment from 25 lakhs to 1 crore	40% of investment in building and machinery including effluent treatment plant, office equipment etc limited to Rs. 25.00 lakhs

Medium	Units with capital investment from 1 crore to 5 crores	30% of capital investment as per guidelines subject to a maximum of Rs. 50 lakhs
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* Capital investment refers to investment in building and machinery including effluent treatment plant, office equipment etc.

**Transportation and erection charges of plant and machinery shall not be considered for computing assistance.

*** List of the components excluded from assistance under the scheme is given as Annexure II

The pattern of assistance for different components is prescribed below:

component	eligibility	pattern of assistance
Cost of investment in building	Building essentially required by the unit including improvements in the existing structure and situated in free hold land in the name of the unit or in the name of the proprietor, partner/partners, Director/Directors of the unit, if it is capitalized in the books and accounts of the unit or in land on lease to the unit for at least 10 years shall be eligible	subject to a maximum of Rs. 5 lakhs for Micro level, Rs. 10 lakhs for Small and Rs. 20 lakhs for Medium level ventures at the rate of 50 percent of the cost certified in the he valuation certificate issued by Government/ Chartered engineer
Cost of Electrification	cost of industrial wiring and transformer costs which is essential for the functioning of	Actual cost subject to a maximum of Rs. 50,000/-

	the unit	
Cost of Office equipment	cost of one computer, one printer, fax machine, projector and essential minimal furniture	Actual cost subject to a maximum of Rs. 1,00,000/-
Cost of Plant and machinery	<ul style="list-style-type: none"> • All brand new identifiable items of plant and machinery including tools, moulds, utensils, pipelines, boilers, pasteurizing units as well as material handling equipment • Generator sets, other energy generating equipments and transformers • All essential Quality Control/ Testing Equipments for food safety & quality requirements • All pollution control devices and Effluent Treatment Plant (ETP) 	Actual cost subject to a maximum of Rs. 5 lakhs for Micro, Rs. 10 lakhs for Small and Rs. 25 lakhs for Medium level ventures

	<p>and Biogas plant</p> <ul style="list-style-type: none"> • Reverse Osmosis/ water treatment plant • Machinery required for automation in primary processing –Integrated Post Harvest Management Infrastructure Creation – Subsidy as per Mission for Integrated Development of Horticulture—Pack houses/On farm collection and storage unit, Integrated pack house with facilities for conveyor belt, sorting ,grading units, washing ,drying and weighing-General Area, Pre Cooling Unit, Cold room, Cold Storage Units, Refer vans/containers/ripening chamber/primary/mobile/minimal processing units/Protected Structure or any other primary processing facility if essential as per MIDH Subsidy and Unit Norms . 	
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<p>Cost of post harvest technology</p>	<p>Technology from Government approved Research Institutes CTCRI, CFTRI, Research Institution under ICAR, AICTE, Kerala Agriculture University, and other universities etc.</p>	<p>50% of actual fees subject to a maximum of Rs. 5 lakhs</p>
<p>Trainings and exposure visit</p>	<ul style="list-style-type: none"> • training and capacity building on various aspects like post-harvest management and packaging technologies, marketing techniques, licensing and other formalities, accounting and record keeping, entrepreneurship development, management etc. • Exposure visits to training and research Institutes, incubation centres, bio parks, successful units etc. 	<p>Actual cost of the training or Rs. 10,000 per person whichever is less.</p> <p>The cost shall be paid one time to the applicant. The technical Committee shall reserve the right to vet the relevant programme for training.</p>

Packaging	Cost of packaging machinery	Actual cost of the machineries or Rs. 5 lakhs whichever is less
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9. TERMS AND CONDITIONS

- i. In case of rented buildings the rent is not eligible for assistance.
- ii. The plan, estimate and valuation shall be certified by a Civil Engineer not below the rank of a Assistant Executive Engineer of Government Department (Industries, PWD, LSGD, Irrigation etc), or a Chartered Engineer, Institution of Engineers India/ Approved Valuer of Institution of Valuers, India. Any civil structure not essentially related to production process shall not be eligible for assistance.
- iii. In case of rented building cost of electrification and other modifications made in the building for establishing the unit will not be considered for assistance.
- iv. The claim for assistance for building should be supported by certificate of valuation from an electrical engineer not below the rank of a Assistant Executive Engineer, Electrical Inspectorate/ KSEB or Chartered Engineer, Institution of Engineers India/ Approved Valuer of Institution of Valuers, India
- v. Cost of Office equipment should be evidenced by invoices.
- vi. The claim for cost of Plant and machinery should be supported by original or attested copies of invoices (if originals are submitted in bank).
- vii. No commercial or private vehicles, second hand machinery, crates, and consumables, stores and items not directly involved in production process will be eligible for assistance.

10. BENEFICIARIES

- All Micro, Small and Medium level agricultural based ventures for primary processing, value addition and branding of all fruits, vegetables, spices, nutmeg, millets, natural fibres, mushroom, cocoa, coffee, tuber, coconut, arecanut, flowers, jaggery etc. will be considered for assistance.
- Individuals/ partnership firms/ registered companies/ SHGs and FPOs can be considered under the scheme. The applicant should be the Managing Partner/ Director/ person authorized by the firm.

11. PROCEDURE FOR SUBMISSION OF APPLICATION AND DOCUMENT REQUIREMENTS

PROCESS FLOW CHART

Flow chart of processing of application for assistance from SFAC kerala



- i. It is mandatory for the applicant to submit the application in the prescribed application form online given on SFAC website www.sfackerala.org for seeking financial assistance. All documents required as mentioned in the website should be attached with the printed application form.
- ii. Detailed proposal containing company/ individual profile, nature of the project, existing infrastructure, proposed infrastructure, benefit from the proposed facility in terms of capacity increase/ quality up gradation, existing and proposed process flow chart, intended market viability etc. should be submitted along with the application. The cost of project should be duly supported by Quotations (for equipment), Bills of quantity (for civil work) etc. It should also include profit loss statement, projected balance sheet, debt service coverage ratio, Internal Rate of Returns etc.
- iii. Loan sanction letter from Government approved banks like Nationalised Banks, Co operative banks, RRBs, etc should be submitted along with the application.
- iv. Partnership deed in case of Joint Venture Companies and Memorandum/ Articles of association in case of societies, co - operatives and groups should be submitted along with the application
- v. Copy of title deed/ Land tax receipt of the land if the property is owned by the applicant or a member of the Board of Directors, or a copy of the lease agreement or rental agreement (more than 15 years) should be submitted along with the application.

12. PROCEDURE FOR APPROVAL

- i. The proposals complete in all respect shall be processed by SFAC within one month from the date of receipt.

- ii. An interview with the applicant will be conducted to reveal the innovative techniques involved in the ventures.
- iii. The selected applicants will present their project before SFAC officials for assessing the eligibility of the venture. Eligible ventures will be issued Primary Approval Letter (PAL) from SFAC after approval by Technical committee.
- iv. After the commencement of commercial production, a Technical Committee consisting of SFAC officials, technical experts in the relevant field from the concerned region will inspect the unit and submit its recommendation to Governing Body of SFAC.
- v. The technical Committee meeting shall be conducted regularly whenever required.
- vi. Based on the recommendation of the technical committee the selected projects will be submitted for approval of the Governing Body of SFAC.
- vii. Subsequent to the approval of Governing Body, the letter containing In Principle Approval (IPA) shall be issued to the applicant. The eligible assistance from SFAC will be released to the subsidy reserve fund of the bank and kept in the suspense account. Interest relief will be provided to the entrepreneur and amount kept in the reserve fund will be adjusted to the loan account of the entrepreneur after a minimum of three years or at the time of closure of the loan. The unit should function for at least five years and the annual audit statements must be submitted to SFAC regularly.

13. SUBMISSION OF FINAL CLAIM DOCUMENTS

- i. It is the responsibility of the beneficiary to file final claim documents compete in all respects well before the expiry of the original or extended validity, if any, of the In Principle Approval letter.
- ii. The applicant is required to submit the following documents as applicable for release of financial assistance from SFAC
 - a. Original bills of machineries, office equipments, etc. If originals are kept in the bank for the purpose of availing loan, photocopies attested by the Bank Manager should be submitted.
 - b. The detailed valuation report of the building/ plant by a Civil Engineer not below the rank of a Assistant Executive Engineer of Government Department (Industries, PWD, LSGD, Irrigation etc), or a Chartered Engineer, Institution of Engineers India/ Approved Valuer of Institution of Valuers, India – along with the application.
 - c. Documents regarding transfer of technology.
 - d. Self attested copies of licenses like FSSAI registration, GST registration , Pollution Control Board, Factories and Boilers, Udyog Aadhaar, LSGD etc
 - e. In case of individual applicant, Aadhaar number shall be provided by the beneficiary which is mandatory.
 - f. Statement of loan account at the time of inspection by Technical Team.

14. DISBURSEMENT OF FINANCIAL ASSISTANCE

- i. The documents submitted shall be scrutinized in SFAC
- ii. In case of any discrepancy /clarification, required documents shall be sought from the applicant.

- iii. The final claim documents complete in all respects, shall be processed for approval.
- iv. The eligible assistance from SFAC will be released to the subsidy reserve fund of the bank and kept in the suspense account.
- v. The Bank should ensure that interest relief is provided to the entrepreneur for the amount deposited in the suspense account.
- vi. The amount kept in the reserve fund shall be adjusted to the loan account of the entrepreneur after a minimum period of three years or at the time of closure of the loan.
- vii. The unit should function for at least five years and the annual audit statements must be submitted to SFAC regularly.

15. GENERAL REQUIREMENTS

- Feasibility analysis should be conducted before preparing the DPR and business plan and pricing of products should be realistic.
- The applicant should ensure availability of raw materials and marketability of the products before submitting the application and preparing the detailed project report. At least fifty percent of the raw materials should be procured locally or from farmers or groups within the State of Kerala.
- The Name board and package should display the wordings “Established under assistance from SFAC”.
- Facilities available at Techno – incubation Centres and research institutions may be availed and training facility should be utilized before launching the ventures.
- Latest and cost effective technology and machinery should be utilized optimally and economically for the project.

- The unit should function for at least five years. If the unit stops functioning earlier the subsidy kept in the reserve fund will be resumed and procedure for revenue recovery will be initiated.
- Officials of SFAC who also require training and awareness programmes regarding the modern technologies in food processing, packaging, entrepreneurship development etc. Trainings and visits can be arranged at various institutions like CFTRI, DFRL, EDII, CIPHET, NRCB, IIP, IRMA, MANAGE etc for the officials so that they can effectively handhold and provide guidance to the young entrepreneurs.

ANNEXURE I

Exclusion List of Ventures that are not supported under the scheme


1. Oils mills
2. Flour Mills
3. Units Manufacturing spice powders, curry mix etc
4. Idaly, dosa, appam batter making units
5. Bakery units
6. Rice mills/ sortex units
7. Cashew deshelling units
8. Coir retting and defibering units
9. Biofertilizer, organic manure units
10. Composting units
11. Units manufacturing medicines and soaps

ANNEXURE II

List of components excluded from assistance under the scheme

1. Cost of Land
2. Cost of Land development
3. Construction of approach roads/ internal roads
4. Compound Wall
5. Canteen
6. Labour Rest Room and quarters
7. Septic tank, drainage etc
8. Security/ Guard room or enclosure
9. Consultancy fee, taxes etc
10. Cost of various licenses like GST, FSSAI, Pollution Control Board, Factories and Boilers, Udyog Aadhar, LSGD etc.
11. Any other non technical civil works which are not related to direct requirement of the unit
12. Cost of power connection and security/ Caution deposit.
13. Pump house, Generator room etc.
14. Office expenses including cost of racks, almirah/ cupboards
15. Commercial or private vehicles, second hand machinery, crates, consumables, stores and items not directly involved in production process
16. Transportation and erection charges of machineries




Managing Director
Small Farmers' Agribusiness Consortium
Thiruvananthapuram.

Model Business Plan for MSME Applicants

WHAT IS A BUSINESS PLAN?

Business plan is a document that specifies the components of a strategy with regard to MSME's business mission, external and internal environments and problems identified in analysis. Business Plan should be written when a new venture or a major new initiative is launched.

Purpose of a Business Plan :

- It helps to determine the viability of the venture in designated markets.
- It provides guidance to the MSME's in organizing planning activities.
- *It serves as an important tool in obtaining financing/funding.*
- A well-written business plan will provide progress toward goals and control decisions to be made at a later stage.

WHAT ARE THE ELEMENTS OF A BUSINESS PLAN?

Introduction & Executive Summary: A typical business plan begins with a brief introduction followed by an executive summary. The executive summary is prepared after writing the total plan. Its purpose is to communicate the plan in a convincing way to important audience, such as potential investors.

Industry Analysis: An industry analysis usually follows the executive summary. This section communicates key information about the industry in which MSME is operating.

Marketing Plan: The marketing plan is the first step in developing any new strategy. It is developed within the context of the MSME's goals and should be based on a realistic assessment of the external environment. The marketing plan is written first because marketing decisions typically determine resource needs in other areas. Obviously, a decision to seek a large share of a market will require a significant commitment of resources of various kinds. How you choose to promote and distribute your product or service will impact organizational plans, production plans , human resource plan and financial plans.

Financial Plan: The financial plan underpins this entire system of plans. Three financial areas are generally discussed.

- ┆ Financing pattern
- ┆ Cash flow statement
- ┆ Three year income statement

Usually an appendix is included in a business plan. This generally contains supporting information, documents and details of the plan. Examples of this type of information include price lists, economic forecasts, demographic data and market analyses.

TIPS ON WRITING A BUSINESS PLAN FOR MSMEs

The text of a business plan must be concise and contain as much information as possible. You can use the Key Word approach. Write the following key words on a card and keep it in front of you while writing:

Who/What/Where/When/Why/How/How Much

Answer all these questions (asked by the key words) in one paragraph at the beginning of each section of the business plan. Then expand on that statement by telling more about each item in the text that follows.

There is no set length to a business plan. The average length is 30 pages, including the supporting documents section. Break the plan down into sections. It takes discipline, research, time and effort to write an effective business plan.

You will save time by compiling your list of supporting documents while writing the text. With the previous considerations in mind, you are ready to begin formulating your plan.

SUGGESTED OUTLINE OF A BUSINESS PLAN

1) Cover Page

Title page of the business plan. It should contain the following:

- ✓ Name of the MSME /Company
- ✓ Company address with pincode
- ✓ Company phone number (include area code).
- ✓ Logo (if any).
- ✓ Names, titles, addresses, phone numbers (include area code) of CEO/Applicant from Board of Directors.
- ✓ Month and year of the plan was issued.
- ✓ Name of the person/organization who prepared it.
- ✓ Submitted to SFAC Kerala.

2. Table of Contents

Listing the major topics with page numbers.

3. Introduction

A Brief Description of the MSME Business. Give a brief description of the MSME business idea. What is the propose? Why it will be successful ? Agricultural Products Available-Primary Processing /Value Addition/ Processing/Exporting Opportunities

4. Executive Summary

Brief description of the entire aspects of MSME Operations (maximum of 2 pages)

5. Geographical Area

Location of Farmer Interest Groups (FIGs)

Major Crops , Area, Production, Productivity if available

Location of Proposed Collection centers

Location of Pack Houses

Proposed Head Office Location

Map of Area of operation of MSME

6. Marketing Plan

A marketing plan includes information about the total market. It helps in identifying the target customers and suggests the means to rightly position and supply the products or services to them.

- ❖ **Product:** List of Products : Identify Agricultural Products –Value added Products etc Answer key questions regarding product design and packaging. Include graphics and GI rights and relevant

information.

- ❖ **Target market:** Identify characteristics of the customers. Tell how the results have been arrived. Back up information with demographics questionnaires and surveys. Estimate the market size
- ❖ **Competition:** Evaluate indirect and direct competition. Show how one can compete. Evaluate competition in terms of location, market and business history.
- ❖ **Place:** Tell about the manner in which products and services will be made available to the internal and external customers.
Logistics and distribution network planned
 - ❖ **Promotion:** How the advertising will be tailored to the target market? Include promotional materials and proposed advertising ,public relations etc planned.
 - ❖ **Pricing:** Pricing will be determined as a result of market research and costing of the product or service. Tell how the pricing structure has been arrived and back it up with materials from research.
 - ❖ **Timing of market entry:** Decide when to enter the market and how this decision has been arrived at.
 - ❖ **Targeted sales:** State the sales targeted for the next 3 years. The first year's sales may be presented month- wise.

- ❖ **Industry trends:** Give current trends about how the market may change and what is the plan to adjust with the changing scenario.

7. Financial Plan –Proposed Plan Documents

These are the records used to show past, current and projected finances. The following are the major documents that would be required to include in the business plan.

- ✓ **Cash flow statement (budget):** This document projects what your business plan means in terms of rupees. It shows cash inflow and outflow for a period of 3 years and is used for internal planning. Cash flow statements show both how much and when cash must flow in and out of your business.
- ✓ **Three-year income projection:** Income statement showing your projections for your company for the next three years. Use the cash flow statement for the first year's figures and project the next according to economic and industry trends.
- ✓ **Break-even analysis:** The break-even point is when an MSME's expenses exactly match the sales or service volume. It can be expressed in total rupees or revenue exactly offset by total expenses or total units of production (cost of which exactly equals the income derived by their sales). This analysis can be done either mathematically or graphically.

8. Supporting Documents as Annexures

- ✓ Brief profile of the MSME and resumes of the key Director/CEO
- ✓ Copies of leases, if any
- ✓ Letters of reference
- ✓ Contracts/work order/MoU for selling produces etc.
- ✓ Legal documents (registration, business license, etc.)
 - ✓ Sources of funds/revenue
 - ✓ Filing of IT return / GST
 - ✓ Audited balance sheet of FPO
 - ✓ Any Other Document

Submission of Hard Copies

One Spiral bound copy of the following to be submitted after Successful Completion of Online Application

- a) Signed copies of print out of Online Application
- b) Business Plan
- c) Other available Documents

Send to

Managing Director
Small Farmer's Agri Business Consortium Kerala
First Floor, Administrative Office
Agricultural Urban Wholesale Market
Anayara, Anayara.PO
Thiruvananthapuram-695029.

- ✓ For any query or support officers or entrepreneurs can contact

Office No: 0471-2742110

Mob: 93834 70280, 93834 70281, 93834 70282

✓ For any query or support entrepreneurs/ farmers
can contact

Karshika Vivara Sanketham

Toll Free No: 1800-425-1661

8am-8 pm on all days (Except National Holidays)
