

Advertisements

Marketing Promotion

Foreign Trade Shows

Package & Label Modifications

Public Relations



*Food Export Association of the Midwest USA
& Food Export USA-Northeast*

Branded Program Importer Manual

The Branded Program

To become a successful importer, you must have the resources to adequately promote the U.S. products in your market. Funding is available through Food Export USA – Northeast and Food Export Association of the Midwest USA Branded Program. The Branded Program is a cost-share funding program that supports the promotion of U.S. manufactured branded, private label food and agricultural products in foreign markets. Participating U.S. suppliers receive 50% cost reimbursements for a wide variety of eligible international marketing and promotional activities. If you are an importer of U.S. food products, the Branded Program can help!

Dear Buyers of U.S. Food and Agricultural Products:

The Branded Program, administered by Food Export Association of the Midwest USA (Food Export – Midwest) and Food Export USA – Northeast (Food Export – Northeast), provides an outlet to facilitate trade between U.S. food suppliers and importers around the world. The Branded Program is made possible through the U.S. Department of Agriculture's Foreign Agricultural Service (FAS). The program assists small food and agricultural businesses by reimbursing them for eligible marketing and promotional costs.

While this program is designed for U.S. companies to begin exporting, it is invaluable for importers and distributors who pay for marketing and promotion activities on behalf of their U.S. suppliers of food and agricultural products. This manual will help you to understand the program and find out what expenses are eligible such as:

Marketing & Point-of-Sale Reimbursements	Tradeshows
Package and Label Modifications	Freight Costs
Public Relations	Advertising

Please keep in mind that to receive reimbursements for any of the above expenses, the importer/distributor must have their U.S. supplier qualify and apply for the Branded Program. The U.S. supplier must submit all reimbursement requests.

This manual will help importers and their U.S. suppliers understand the program and determine what documentation is needed in order to receive reimbursement. The program regulations and the required documentation are standards set by the Foreign Agricultural Service. We invite you to read through the manual to review policies, procedures and guidelines carefully to see if it can assist you and your U.S. supplier.

Thank you for your interest in Food Export – Midwest and Food Export – Northeast's Branded Program. We are at your service. We look forward to receiving your U.S. supplier's application and working with you throughout the coming year.

Food Export Association of the Midwest USA Food Export USA – Northeast

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Application Deadline for new Program year October 1st of each year
(Application acceptance beyond this date contingent on available funds)

Program Year January 1st - December 31st of each year

All activities must be concluded and paid for by December 31st.

All final reimbursement requests for the program year must be submitted by February 28th.

Food Export Association of the Midwest USA

Food Export – Midwest is a non-profit organization composed of 12 Midwestern state agricultural promotion agencies that use federal, state, and industry resources to promote the export of Midwestern food and agricultural products.

Food Export USA – Northeast

Food Export – Northeast is a non-profit organization composed of 10 Northeastern state agricultural promotion agencies that use federal, state, and industry resources to promote the export of Northeastern food and agricultural products.

Strategic Alliance

Since 2000, Food Export – Midwest and Food Export – Northeast have formed a strategic alliance to increase their ability to promote high-value U.S. food and agricultural exports in international markets. Exporters throughout the Midwest and Northeast are benefiting from the alliance by experiencing program effectiveness, consistent export services, streamlined operations, and opportunities in a broader range of markets.

Regional Requirements

In order to be eligible for the Branded Program, your U.S. supplier must have a corporate office, production facility, or significant product originating from one or more of the following states in the Midwest (Food Export – Midwest) and/or Northeast (Food Export – Northeast) regions and be able to document a positive economic impact to these states:

Food Export Association of the Midwest USA

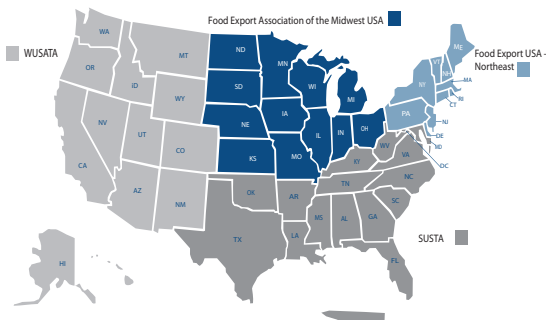
Illinois (IL)
Indiana (IN)
Iowa (IA)
Kansas (KS)
Michigan (MI)
Minnesota (MN)
Missouri (MO)
Nebraska (NE)
North Dakota (ND)
Ohio (OH)
South Dakota (SD)
Wisconsin (WI)

Food Export USA – Northeast

Connecticut (CT)
Delaware (DE)
Maine (ME)
Massachusetts (MA)
New Hampshire (NH)
New Jersey (NJ)
New York (NY)
Pennsylvania (PA)
Rhode Island (RI)
Vermont (VT)

Additionally, your U.S. supplier must meet a number of criteria to be eligible for this program. Your U.S. supplier should complete a Pre-qualification worksheet to see if they meet the criteria. The form can be completed online at www.brandedprogram.org or a hard copy can be sent to them. For more details on eligibility, please review page 5.

If your U.S. supplier is not located in or does not make an impact in the Midwest or Northeast regions of the United States, they can still apply for the Branded Program through other State Regional Trade Groups (SRTGs). Food Export Association of the Midwest USA and Food Export USA – Northeast are two of four SRTGs in the United States. Companies located in or impacting the Southern region can contact the Southern U.S. Trade Association (SUSTA), www.susta.org by phone 504/568-5986. For companies located in or impacting the Western United States, contact the Western U.S. Agricultural Trade Association (WUSATA), www.wusata.org by phone 360/693-3373.



Eligible Companies and Products

Your U.S. supplier must meet the following company eligibility requirements to apply:

Size of Company: Only companies defined as "Small" by the U.S. Small Business Administration (SBA) are eligible. Agricultural producer cooperatives are also eligible and are exempt from size restrictions. The SBA utilizes the North American Industry Classification System (NAICS) to determine company size status. Generally, the total number of employee determines the size. Total number of employees includes all subsidiaries, parent company and subsidiaries of the parent company.

U.S. Business Entity: Each participating company must be a registered business entity in the United States.

Adequate Resources and Continuous Supply: Each eligible company must be able to provide adequate management and financial resources for export market development. Likewise, product quantities necessary to ensure continuous supply in the markets for which funding is being requested must be available.

Product Eligibility Requirements

■ Products must be value-added agricultural products including:

Animal Food Ingredients	Consumer Food Products
Food Service Products	Feed Ingredients
Wood Products	

■ U.S. Origin

Products must contain at least 50% U.S. agricultural content. The U.S. content of food and agricultural products is determined by the percentage of finished product (measured by weight) that originates in the United States, excluding water or packaging.

■ Product must be clearly labeled as product of the U.S.A.

A company's address line is not sufficient as an approved origin statement. (See page 8 for eligible statements)

■ Products cannot be covered by any other industry group.

Companies can participate in the Branded Program ONLY if funding assistance is not available for their product(s) through another industry group. Product(s) affected might include chocolate, confections and meat. If a company has multiple product lines, for example, chocolate and snack chips, that company can apply for our Branded Program.

Important Message:

This cost-share assistance is provided through Food Export – Midwest and Food Export – Northeast's Branded Program. To participate in the Branded Program, your U.S. supplier must apply and be approved. Only the U.S. supplier can apply and join the Branded Program.

How Your U.S. Supplier Can Apply

To apply to the Branded Program, your U.S. supplier can visit our website or request a printed hard-copy version of the necessary forms.

Pre-qualification Approval

Once the U.S. supplier is pre-qualified, they begin the application process by logging onto www.brandedprogram.org with the assigned User ID and password given in the approval e-mail. The information on the application includes some or all of these key elements and pertains to the U.S. supplier, not the importer/distributor:

Company Profile

Basic company contact information, a list of products promoted and the company's sales information. An optional section describing the economic impact to the region can be filled out. (If the company is located outside of Food Export – Midwest and Food Export – Northeast regions, this section is required).

Country Marketing Plan

It is recommended that importers/distributors work with their U.S. supplier for the proposed marketing plan. To begin using the funds, a proposed marketing plan for each targeted country, up to a limit of six country plans can be submitted. If consumer promotions are included, each plan must include complete contact information regarding the U.S. supplier's distributor/importer for that country. If a U.S. supplier is creating a Country Marketing Plan for a foreign tradeshow, the plan must be created for the country in which the show physically takes place.

Product Label or Promotional Literature Sample

An original or copy of all program related product labels or promotional materials must be submitted along with the application.

Food Export – Midwest and Food Export – Northeast allocate funding to companies that present the best opportunity for developing and expanding export markets for U.S. food and agriculture products from their respective regions. Accordingly, both organizations reserve the right to accept or reject any application, or to limit allocations to any applicant.

Once we have received your U.S. supplier's application, the following steps must be conducted for final approval:

Approval Process:

Food Export – Midwest and Food Export – Northeast rate applications based upon allocation criteria and then allocate available funding to the various applicant companies. Allocations are based on the quality of the application, and the overall level of funding available. Not all applications receive the full requested amount. Approval can take up to three weeks and any spending that occurs before your approval date will not be reimbursable. (With the exception of certain tradeshow booth and travel expenses. The expense incurred date for only these items will be the date the activity takes place rather than when the payment was made.)

Program Fees:

Application Fee - The annual, non-refundable fee for application to the Branded Program is US\$200. An application cannot be processed until this is paid.

Administrative Fee- All program participants are charged a non-refundable administrative fee equal to 6% of the approved funding allocation. An invoice for this fee will accompany the Program Agreement. Payment is due within 30 days of receipt. If the payment is not received within 60 days, approved funding will be withdrawn and reallocated to another applicant.

Program Basics

This information is for your U.S. supplier to understand the program and the requirements for reimbursements.

Reimbursement of Eligible Expenses

Eligible expenses are reimbursable at 50% of invoiced cost. Participating companies are paid on a reimbursement basis only.

Tradeshow Booth Deposits

Certain booth deposits are eligible prior to the Approval Date. Reimbursements will be made after the tradeshow with the "Expense Occurred Date" representing the "date of the activity" rather than "date of payment."

U.S.A. Origin Statement

All activities and materials (product labels, promotional materials, advertising, booth signage, etc.) must identify the origin of the product as "Product of U.S.A.," "Grown in the U.S.A," or "Made in America." (A laminated "Made in America" sign is included with Program Agreement materials.) The full name of a U.S. state (no abbreviations) can substitute for "U.S.," "U.S.A.," or "America" in the above statement. Brand names which use "USA" or "American" do not substitute for a U.S.A. Origin Statement. Origin identifications must conform to the U.S. standard of 1/6 inch (.42 cm) in height based on the lowercase letter "o". For large format promotional signage, the U.S.A. origin identification must be visible at standard viewing distance. The Branded Program cannot, under any circumstances, reimburse expenses if the U.S. supplier does not comply with the U.S.A. Origin Statement.

Minimum & Maximum Funding Allocations

The minimum request level is US\$2500 and the maximum request level is US\$300,000 for all countries. (Please note this is the reimbursement amount, as a participant they would spend respectively US\$5000 or US\$500,000). No participant may request more than US\$300,000 per program year. If a company is receiving funds from more than one trade association, the company's total funding allotment among all the organizations must not exceed US\$300,000.

Five-Year Country Limits (Graduation)

The program will fund the same company for a particular country for no more than five years, except for select tradeshows exempt from Graduation. Agricultural producer cooperatives are exempt from this rule. The five years do not have to be consecutive.

Ineligible Countries

Federal regulations prohibit funding Branded Program activities in the following countries: Cuba, North Korea, Iran, Iraq, Libya and Sudan. (As of 6/1/04)

Amendments

The U.S. supplier can apply for an amendment if they would like to make changes to the approved marketing plans. Approval of the Amendments, which can take 2-4 weeks, must be granted prior to beginning the new activity. Amendments can be submitted to add a new country, importer/distributor, product or funding.

We encourage your U.S. supplier to contact us to confirm eligibility for specific promotional plans PRIOR to incurring related expenditures. The following expenditures are reimbursable:

Marketing & Point-of-Sale Materials

Production and distribution of sell sheets, brochures, catalogs, shelf-talkers, banners, posters, recipe cards and related materials including translation costs. Give-away items such as pens, key rings, t-shirts and caps are limited to a maximum reimbursement of US\$ 1.00 each.

Foreign Tradeshows

Exhibit fees, freight, and construction of a temporary booth for trade-only exhibits and shows held outside of the U.S and its possessions. Other eligible costs: set-up charges, electricity, and furniture rental. Limited foreign travel expenses (air and federal per diem only) for a maximum of two employees of the U.S. supplier ONLY if exhibiting. (Agent/distributor travel is not eligible.)

Demonstrations/Merchandising

In-store and food service promotions, consumer and trade demonstrations, shipment of promotional samples (but not the cost of the actual samples), temporary displays and rental of temporary space for displays such as end-of-aisle and gondola displays.

Foreign Trade Seminars

Site rentals, interpreters, translation and duplication of seminar materials. Eligible seminars are those designed to inform industry representatives about U.S. brand names and products.

(Related travel expenses, catering and seminar attendance fees are not eligible.)

Part-time Contractors

Demonstrators, interpreters and translators that assist with eligible promotional activities such as in-store demonstrations, tradeshows and seminars. (Employee, importer & distributor wages are not eligible.)

Freight Costs

Costs for shipping samples to importers/distributors, consumer and trade demonstrations, and for shipping trade show materials and samples to eligible trade shows and seminars.

Package and Label Modifications

Costs associated with design (as necessary to accommodate required changes only), production and printing of a one-year supply of labels and any labor costs to attach or sticker (if outsourced) are eligible for reimbursement. Participants must demonstrate the following:

- a) The changes are necessary to meet importing requirements of a foreign country.
- b) The changes are to existing packaging and labels. Changing flavors or varieties or changing the size of the packaging is considered new product packaging which is not reimbursable.
- c) The company intends to use new package/label(s) during the activity plan year.

Advertising

Production and placement of advertisements in magazines, newspapers, posters, billboards, direct mail, transit, TV, radio and importer/distributor website.

Public Relations

Production and distribution of press releases, press kits and other materials and information directed at the media, trade and consumers.

Ineligible Activities

Many expenses are considered "costs of doing business" or, for other reasons, fall outside the objectives of the Branded Program and therefore are not eligible for reimbursement. The list below is only a general listing by category of ineligible expenses. If there are questions about what is and is not eligible for reimbursement, please have your U.S. supplier contact us.

General Ineligible Expenses

- 1) Any activity or product not specifically included or approved as part of the participant company's Country Marketing Plan, Program Agreement, or Amendment.
- 2) Expenditures for activities and materials that do not carry U.S. origin statements.
- 3) Expenses incurred for an activity prior to approval of the activity or amendment.

Business Related Ineligible Expenses

- 1) Salaries, living expenses, office costs, allowances, office parking fees.
- 2) Administrative expenses including communications costs (phone, fax, internet) including those related to travel (hotel and cell phone charges).
- 3) Refundable deposits and advances.
- 4) Capital expenditures including purchases of items with a shelf-life of one-year or more.
- 5) Rental, lease or purchase of warehouse space.
- 6) Purchase, construction and lease of space for permanent displays (i.e. displays lasting beyond a one year activity plan).
- 7) Meals, reception refreshments, entertainment, gifts.
- 8) Business cards, seasonal greeting cards, subscriptions to publications.
- 9) Membership fees.
- 10) General company literature that does not include product promotion information.
- 11) Internet website development.
- 12) Routine translation and interpretation services not related to eligible promotional materials.
- 13) Travel costs for agents, importers, product demonstrators or interpreters.
- 14) Management consultant fees.

Product Related Ineligible Expenses

- 1) Product research and development.
- 2) Package and label design/production and origin identification stickers not specifically required by importing country.
- 3) Shelf trays and other product merchandises.
- 4) Product samples.

Marketing Related Ineligible Expenses

- 1) Slotting and shelf-space fees, licensing fees, product registration and similar sales expenses.
- 2) Coupons and redemption, price discounts and any other activity having the effect of reducing selling prices of an agricultural commodity.
- 3) Awards, sweepstakes and prizes are not reimbursable.

Important Message:

A company's promotions and advertisements can not disparage any other company or product either directly or indirectly.

Reimbursement Documentation

In order to receive reimbursements, required documentation must be submitted by the U.S. supplier. Three documents must accompany the reimbursement request. If any of the following documentation is in a foreign language, please translate the details of the document such as the services being charged.

■ Invoice

Any document from a vendor that states charges and services.

■ Proof of Payment

A confirmation of payment is required. The acceptable forms of payment required are:

- Cash receipt must be marked "paid," and show a zero balance.
- Check - A cancelled version of the check or copy of the check accompanied by a bank statement showing it was posted.
- Credit Card Statement showing the charge. Signature slips are not acceptable.
- Wire Transfer Confirmation - the request alone is not sufficient.
- Credit Memo - If the U.S. supplier is paying the importer, vendor or overseas agent in product, an invoice for the product and credit memo is required. If, after applying the credit to the invoice, there is a remaining balance, we must see the importer, vendor, or overseas agent pay the balance. If there is no balance we must see freight or airway bill showing the product was shipped.
- Overseas Agent Expenses- these are eligible if they are submitted by the U.S. supplier. We will accept either a U.S. supplier's full reimbursement to the overseas agent or the overseas agent's proof of payment for the expenses and participant's 50% reimbursement to the overseas agent.

■ Proof of Activity

This is dependent on the activity and should be an example of the promotional activity conducted. (See the next page for eligible forms of proof of activity.)

Important Message:

Please translate all documents to English when submitting for reimbursements. This includes invoices, proof of payment and any documents showing proof of activity.

Proof of Activity

This page will underscore each type of expense that is reimbursable and the specific proof of activity documentation required

Marketing & Point-of-Sale Materials

Samples of the materials, either originals or copies, and the U.S. origin statement must be visible. Giveaway items such as key chains, pens, and shirts, must have the origin statement and the brand name. The giveaway item does not have to be manufactured in the U.S., however, it must promote your product as "Made in the USA."

Foreign Tradeshows

Expenses related to exhibiting at a foreign trade show only require a photo of your booth or your listing in the tradeshow guide. However if the expense is for photos, banners, signage or other graphics used to decorate your booth, then we need photos of each item that clearly show the U.S. origin statement.

Demonstrations/Merchandising

For in-store, food service promotions, and temporary displays, we require a list of stores/locations and dates as well as representative photos of the events or displays. We recognize that some stores do not allow photography; in these cases we will accept demonstration reports.

Foreign Trade Seminars

We require photos from the events and any literature printed for dissemination at the seminar.

Part-time Contractors

Eligible part-time contractors are utilized at trade shows, seminars or in-store tasting and demonstrations. Proof of activity would be photos from these events.

Freight Costs

Freight charges require a freight or airway bill which, if not also the invoice, can be directly tied to the invoice. It must clearly show the origin and destination address of the shipment.

Package and Label Modifications

For all charges related to package and label modifications (translation, design, production, printing, etc.) we require copies of the original package and/or label and the modified versions. Also, documents that detail the import laws that are forcing the modifications.

Advertising

If the expense is for magazine or newspaper ads the original magazine or newspaper is preferred. Otherwise, a copy may be accepted. If it is for radio or television ads than we need a copy of the audio or video recording. If ads are in a foreign language they must be accompanied by a translated transcript. If the expense is for the broadcasting of the ads and not just their production than we must also receive a broadcast schedule showing dates, times and stations on which the ad aired. We require a photo of billboard ads.

Public Relations

For expenses related to Public Relations we will need samples of all materials created (press kits, press releases, etc.). For mass mailing of materials to potential distributors, consumers, and media then we must have samples of what was mailed as well as at least a partial mailing list.

Glossary

Approval Date(s)

The approved date of the application and/or change request, as stated in the U.S. supplier's approval letter(s), Program Agreement, and Amendment forms. Expenses incurred before the approval date will not be reimbursed.

Business Confidentiality

The information on the application may be subject to disclosure under the Freedom of Information Act (FOIA). Only information that would likely impair the government's ability to obtain necessary information or cause substantial competitive harm may be withheld under exception 4 of the FOIA, 5 U.S.C. 552, 7CFR, Part 1, Subpart A. If this application is requested from FAS under FOIA, the participant will be notified and may fully explain, in writing, any objections to the disclosure of any specified portion requested.

Exclusivity

The U.S. supplier must own the brand name of the products to be promoted or have the brand owner sign the exclusivity agreement page of the application form. This certifies that the brand owner gives the U.S. supplier the exclusive right to seek Branded program funds to promote the specified product(s) in the specified market(s). This must be done for all products where the U.S. supplier does not own the brand name.

Foreign Agriculture Service (FAS)

Foreign Agriculture Service of the United States Department of Agriculture (USDA), is a government agency that provides Market Access Program funding to Food Export – Midwest and Food Export – Northeast for their Branded Program.

Overseas Agent

Distributors, agents, brokers, importers and representatives in foreign markets where Branded Program funds are being used, typically, the overseas agents are conducting Branded Program activities on behalf of the U.S. applicant.

Graduation

MAP regulations state that Food Export – Midwest and Food Export – Northeast will not provide assistance to a single U.S. company for brand promotion in a single country for more than five years. After the five-year period has been reached, the company is considered "graduated" from the country and, thus, no longer eligible to be reimbursed for its market development expenses in that country.

Incurred Expense

An expense is incurred on the date that the check, wire transfer, credit card or other bank transaction occurs, not the date on which the goods or services are provided by the vendor. The only exception: Trade show booth expenses are considered to be incurred when the show takes place, not when the payment is made.

Market Access Program (MAP)

The federally funded program that provides financial assistance to U.S. exporters for the promotion of U.S. agricultural products in foreign markets.

Participating Trade Associations

Non-profit organizations representing producers and other sectors of agriculture in a joint program with FAS aimed at developing foreign markets. Each trade association focuses on markets for products with which its members are concerned with the overall result of expanding total U.S. farm trade. Today, there are approximately 80 of these groups working with FAS on a continuing basis in a variety of programs.

Small Company

Any company that meets the Small Business Administration (SBA) requirements of a small company according to their North American Industry Classification System (NAICS) codes as published at 13CFR part 121 (based on number of employees or annual sales, depending on the SIC industry category).

Food Export – Midwest and Food Export – Northeast is a great source for importers who would like to find and meet qualified U.S. suppliers. The following services are available to importers who are looking products made in the Midwestern and Northeastern sections of America.

Meet Qualified U.S. Suppliers

Food Export – Midwest and Food Export – Northeast sponsor many activities that include face-to-face meetings with companies from the Midwest and Northeast sections of the United States. For example, you could participate in pre-arranged meetings with qualified U.S. suppliers at a food industry tradeshow in your country. Or you could participate in a "Buyers' Missions" that brings importers and distributors to the U.S. to meet with prospective U.S. suppliers.

Product Promotions

Food Export – Midwest and Food Export – Northeast also sponsor promotions in overseas markets that showcase U.S. food products. Examples include retail displays, cooking demonstrations at trade shows and industry seminars, and U.S. menu promotions in food service establishments.

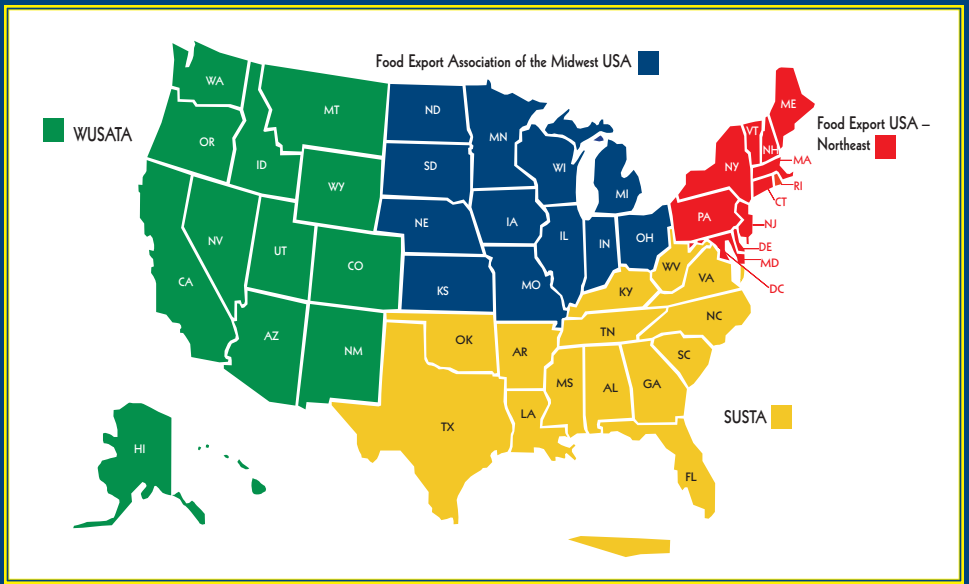
Trade Leads Connection™

Looking for products made in the U.S.? Contact Food Export – Midwest and Food Export – Northeast and we will send out your request to thousands of companies in our database. This is a free service that we offer to the U.S. suppliers and importers throughout the world.

Discover products from the Midwest and Northeast...



The Midwestern and Northeastern parts of the United States are two of the most bountiful regions in the world. Agriculture is a way of life and food producers take advantage of their natural resources. The results are specialized, high quality food products that are perfect for expanding global tastes.



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