



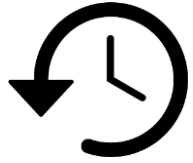
SUGAR SMART CHALLENGE 2020

CHALLENGE 5050

AGENDA

- INTRODUCTION
- BACKGROUND
- OBJECTIVE
- SUGAR SMART CHALLENGE CONCEPT
- TIMELINE
- PROPOSED RETAIL CONCEPT
- COMMERCIALISATION ASSISTANCE SCHEMES
- Q&A

ABOUT SFMA



Established in 1967



460 Members and counting
as of Mar 2019



23 elected and 16 co-opted
members representing 11
sub-sectors



Organized more than 60
industry activities annually

INTERNATIONALIZATION



- Targeted trade shows in key markets
- Explore new markets
- Partnerships with overseas retailers, Pop-up Showcases
- Regional and global trends sharing workshops

INNOVATION AND CHANNEL DEVELOPMENT



- Sugar Smart Challenge (with a more health focused theme)
- Monash Innovation Bootcamp 2020 with ESG and Monash University
- Food Waste Management Technologies adoption in collaboration with NEA
- Singapore Food Gifts by SFMA
- Singapore Food Expo and Asia Pacific Food Expo 2020
- Partnerships with retailers
- Digital Marketing to promote business and strengthen branding

PRODUCTIVITY



- Promoting 'Productivity and Digitalization' partnering Singapore Manufacturing Alliance (SMF, SGTech and SIAA)
- Automation Consortium Project with FIRC

JOBS AND SKILLS



- One-stop service by USME
- 'Global Ready Talent Programme' by ESG
- Assistance and tools by WSG and SSG

ABOUT HPB

Leveraging on industry partnerships where partners in the food manufacturing sector are important to HPB in helping us to influence consumers in the whole food ecosystem.

From Growing Supply

Healthier Choice Symbol

Front-of pack labelling incentivizes industry to produce healthier foods and drinks for consumers



Eat All Foods in Moderation



Healthier Dining Program

Partner F&B to popularise lower-calorie meals & healthier ingredients outside the home



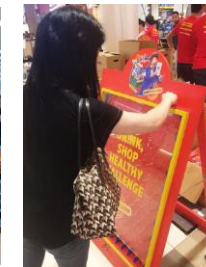
LIHO TEA



To Customer Demand Generation

Eat, Drink, Shop Healthy Campaign

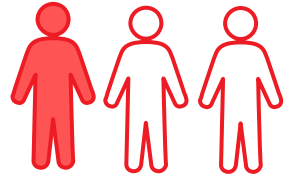
- Thematic Promotions (Wholegrain, Lower-cal)
- Promotions & sampling at supermarkets, hawker centres and food courts
- Nudging consumers to consistently make healthier choices throughout the year



HPB's Outreach Activities & Programmes

- Workplace Outreach
- Health Promoting Malls
- School Outreach
- Regional Outreach via CCs, RCs etc

BACKGROUND



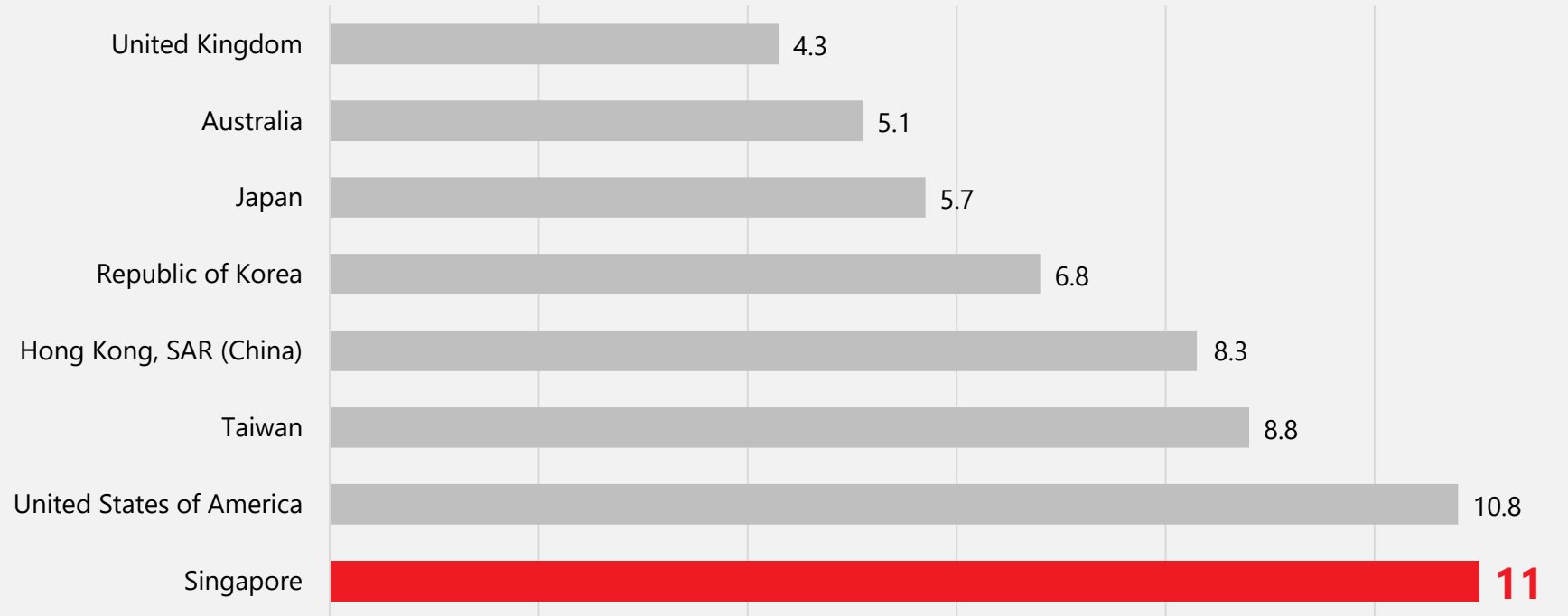
1 in 3
lifetime risk^a

~440K diabetics in **2014^b**

~1MIL diabetics in **2050^a**

Singapore has the highest prevalence of diabetes among high-income countries

Age-adjusted Diabetes Prevalence among High-Income Countries, 2017



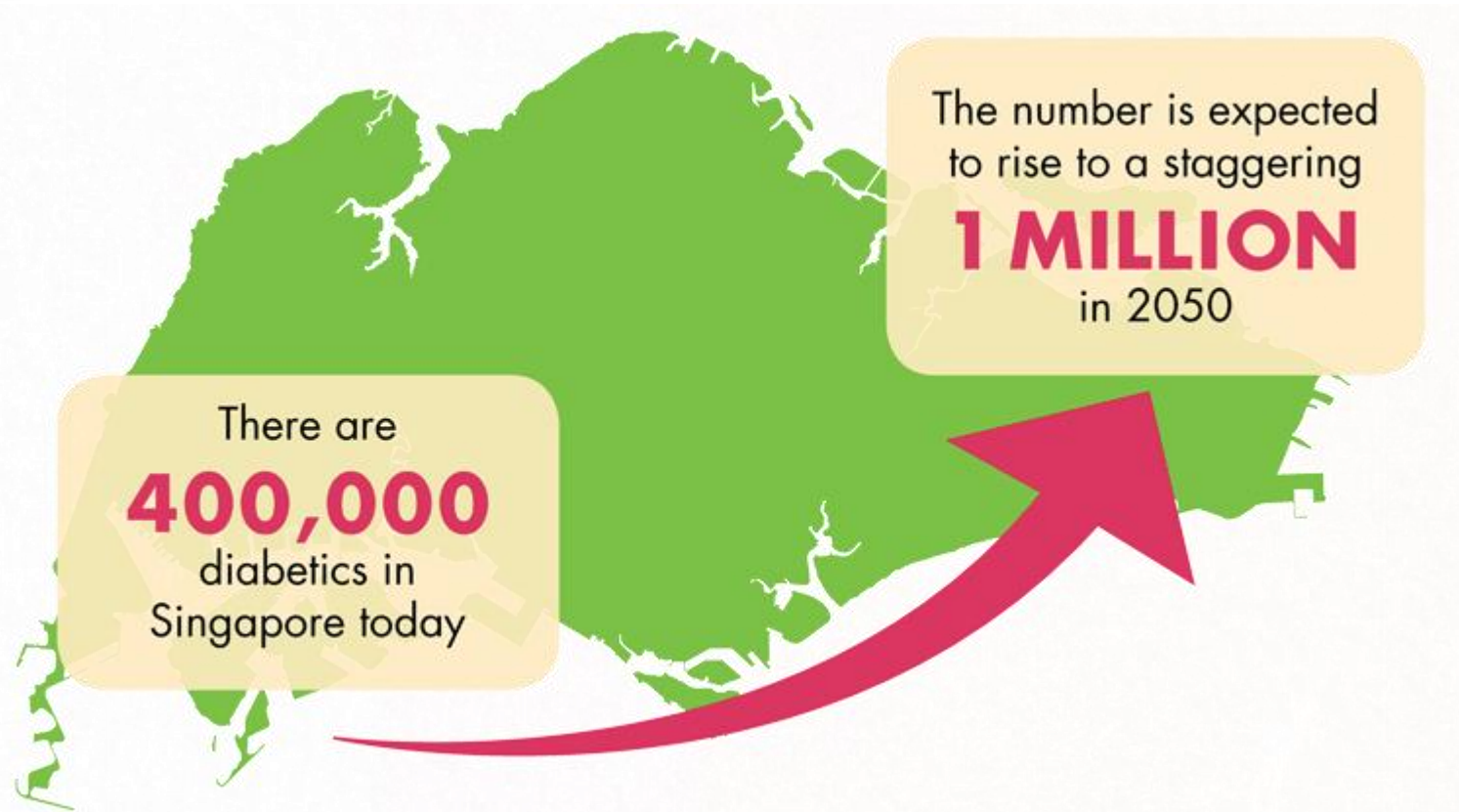
Source: (a) Saw Swee Hock School of Public Health, SCs & PRs, aged 18 years and above; (b) Extrapolation based on NHS2010.
(c) International Diabetes Federation (IDF) 2017, prevalence is adjusted to the age profile of the world population, 20 – 79 years

OBJECTIVE



In view of the War on Diabetes and the sugar tax debate on pre-packaged drinks in Singapore, the SFMA's Sugar Smart Challenge will provide a platform for FMs to collaborate with resource partners to develop 'sugar-LESS'/ reduced sugar food products for the local market and exports.

FMs will develop innovation capabilities and know-how through resource and knowledge partners on food formulation and product commercialisation.



SUGAR SMART CHALLENGE CONCEPT



Registration: June 2020
Official launch of end products
commercialised: Jul 2021



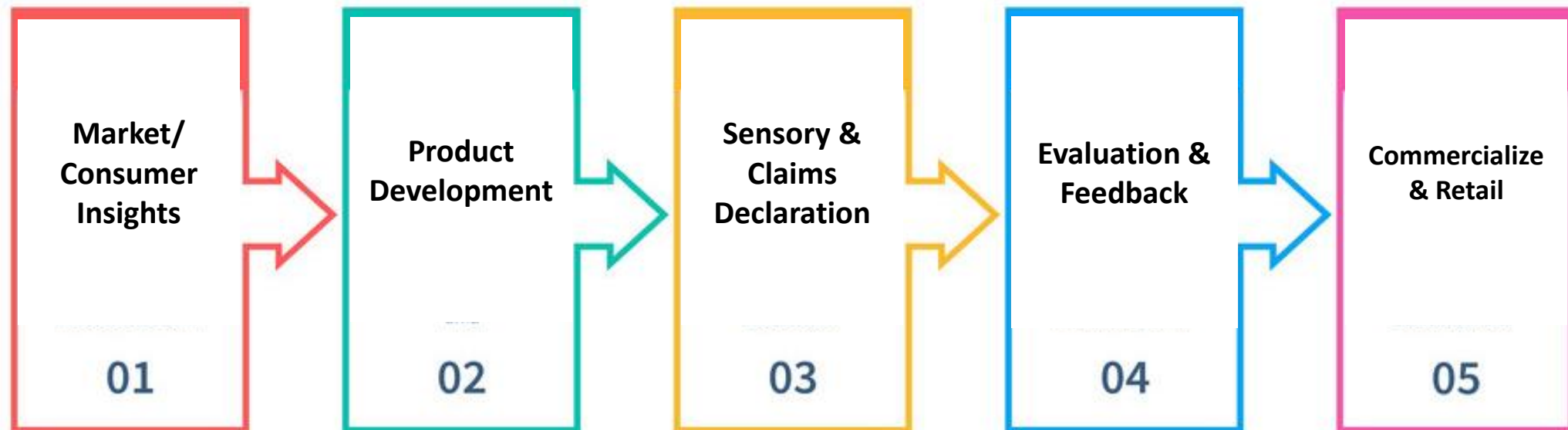
Up to 20 sign-ups



Themes: Reduced sugar,
replaced sugar

Bringing together food manufacturers, ingredient players and start-ups through a full year innovation process with the main focus of developing Reduced/Replaced sugar product with little or no impact to the taste profile which are ready for commercialization.

12-month innovation process to start in June 2020



THEME



Replacing sugar and/or lowering sugar content to achieve similar final taste profile.

PARTICIPATION ELIGIBILITY

MAIN APPLICANT (*1x)



Local SMEs or LLC

Local food companies with good growth plans to commercialise new products for local and overseas growth

Foreign companies

Foreign companies may participate but capped at 20% of overall participation

Start-ups

Start-ups are applicable to register as the Main applicant on a case by case basis

PARTNERING VENDOR (^up to 2x)



Novel Ingredients Companies and/or Start-ups

Main applicant and partnering vendor should come to a mutual agreement to work on this initiative together.

PARTICIPATION FEE



SFMA Members: S\$2,500/-

Non-Members: S\$2,700/-

*Organiser will only recognize the main applicant's registration and endorsement for the purpose of this challenge

^ The team can consist of 1 Food Manufacturer, and up to 2 partnering vendors i.e. 1 FM, 1 Ingredient coy and 1 start-up or 1 FM and 2 ingredient coys/start-ups

PROPOSED TIMELINE



* For expenses incurred during qualifying period: 1 Oct 2020 to 30 Sep 2021

PROPOSED RETAIL CONCEPT



**3 months
Jul – Sep 2021**

The text is centered and overlaid on a large, faint, gray clock face icon. The clock face has a circular arrow pointing clockwise, indicating a cycle or duration.



*Launch ceremony will be held in 1 of the flagship retail outlets over a weekend

COMMERCIALISATION ASSISTANCE SCHEMES



Healthier Ingredients Development Scheme (HIDS)

- Open for 2 categories: (1) Sweet Sauces (2) Desserts
- **Up to S\$500,000** on eligible expenses **tagged to Output KPI**
- Product **MUST** be commercialized and sold to local F&B (e.g. restaurant, café, hawkers) and/or retail channels (Overseas sales not supportable)

OR



LEAD Commercialisation Grant

- Open for all categories except (1) Sweet Sauces (2) Desserts
- **Up to 70% on qualifying cost and capped at \$12,000** per applicant/company on a reimbursement basis
- Product **MUST** be commercialized and sold on retail shelves/ecommerce/overseas market

HEALTHIER INGREDIENT DEVELOPMENT SCHEME

Funded and administered by Health Promotion Board



Objective

Assist Sugar Smart Challenge participants to **develop new or improve current healthier ingredient(s)** and **the marketing & promotion efforts** of the qualifying healthier ingredients

Ingredient Categories eligible for HIDS support under the Sugar Smart Challenge

1. Sweet Sauces
2. Desserts (i.e. ice cream, frozen yogurt, cakes, muffins, kueh, local soup desserts, jellies, puddings)

Please refer to Annex A of the HIDS information package for technical specifications and list of products that qualify under each qualifying ingredient

Note: Other sugary food products are eligible for the Sugar Smart Challenge but only these 2 ingredient categories will be eligible for HPB's HIDS grant

Eligibility Criteria

Food ingredient importer or manufacturer that

1. is registered with ACRA and physically present in Singapore
2. Intends to import qualifying ingredient(s) into the Singapore market for HCS certification, or manufacture it within Singapore
3. Intends to supply qualifying ingredient(s) directly or indirectly to qualifying F&B and retail outlets in Singapore
4. Intends to supply healthier ingredient product(s) which meet specifications
5. has been in business for at least 3 years

Projects are approved for a 1 year period; renewable on a yearly basis

HEALTHIER INGREDIENT DEVELOPMENT SCHEME

Funded and administered by Health Promotion Board



1. Product Development, Packaging & Certification

Supportable activities include (but are not limited to): Purchase of raw materials required for formulation, cost of nutritional analysis, cost of product certifications

2. Marketing & Publicity

Supportable activities include (but are not limited to): Cost of designing and printing of marketing collaterals, sample distribution to potential customers, cost of advertisement

3. Trade Promotions

Supportable activities include (but are not limited to): Bulk purchase rebates and customer loyalty benefits

Supports up to **80%*** of qualifying costs

Overall cap: S\$500,000⁺/year

No need to apply for all 3 activities

*HPB will support up to 80% of total project costs. 64% will be paid out on achievement of Activity KPIs while remaining 16% only paid out upon achievement of Output KPIs (e.g. achieve a certain sales volume or number of new HCS products developed).

+The actual amount of grant a company is eventually granted depends on the Output KPI committed to HPB (i.e. number of new HCS products to be developed and committed sales volume). The higher the commitment, the higher the grant may be awarded, subject to HPB's ROI evaluation. Most companies will not be eligible for the full \$500,000.

HEALTHIER INGREDIENT DEVELOPMENT SCHEME

Funded and administered by Health Promotion Board



Qualifying Costs for Product Development, Packaging & Certification Category

Guiding principle:

- Outcome: To produce a healthier ingredient/product at the end of the R&D process
- Support: Provided up to point of production (production cost is not supported)

Qualifying Costs

- Cost of raw ingredients for R&D (e.g. wholegrain flour, functional sugar)
- Engage external consultants to assist with R&D (e.g. FIRC)
- Packaging design (e.g. artwork, extend shelf-life)
- Taste tests (e.g. sensory)
- Lab tests and certification (e.g. low GI tests, NIP tests)
- Special equipment for R&D (e.g. food texture tester)
- Trial production run (e.g. small batch for sampling, quality control)

Non-Qualifying Costs

- Production costs (e.g. actual mass production)
- Machinery (e.g. production machine, packing machine)
- Non-related lab tests and certification (e.g. GMO, pesticide free, sustainability)

HEALTHIER INGREDIENT DEVELOPMENT SCHEME

Funded and administered by Health Promotion Board



Qualifying Costs for Marketing & Publicity Category

Guiding principle:

- Outcome: To build branding and awareness of the healthier ingredient/product
- Support: To grow trade acceptance and adoption of the products (consumer acceptance and adoption is by-product)

Qualifying Costs

- Advertising (all mediums are supported, e.g. print, digital, social media, radio, TV, vehicle wraps)
- Sampling (e.g. samples packs, booths, outsourced promoters, delivery) for trade and/or at trade premises (e.g. retailers, supermarkets, F&B outlets)
- Marketing collaterals for trade (e.g. flyers, posters, brochures, videos)
- Listing fees
- Engage external marketing & PR consultant/agency
- Trade shows (e.g. booth space, design, construction and set-up)
- Trade memberships (e.g. SMFA, RAS, culinary institution)
- Premiums and contests for trade customers

Non-Qualifying Costs

- Tactical advertising (e.g. consumer discounts, free gifts)
- Sampling at roadshows, community, charity events (i.e. not targeted at trade)
- Marketing staff salary and/or sales incentives
- Premiums and contests for consumers
- Hardware costs and Operational costs and overheads (e.g. electricity, rental, manpower, logistics)

HEALTHIER INGREDIENT DEVELOPMENT SCHEME

Funded and administered by Health Promotion Board



Qualifying Costs for Trade Promotion Category

Guiding principle:

- Outcome: To build brand loyalty and sustained purchase of healthier ingredients/products from the trade
- Support: To grow trade customers acceptance and adoption of the products

Qualifying Costs

- *Trade discount (e.g. up to 10% discount off selling price) with 10% cap **OR**
- *Bulk purchase rebate (e.g. buy 10 get 1 free, buy 10kg rice get 1kg rice free) with 10% cap
- Trade customer loyalty programme (e.g. drinks dispensers, display shelves, rice cookers for regular purchase of healthier ingredients)

Non-Qualifying Costs

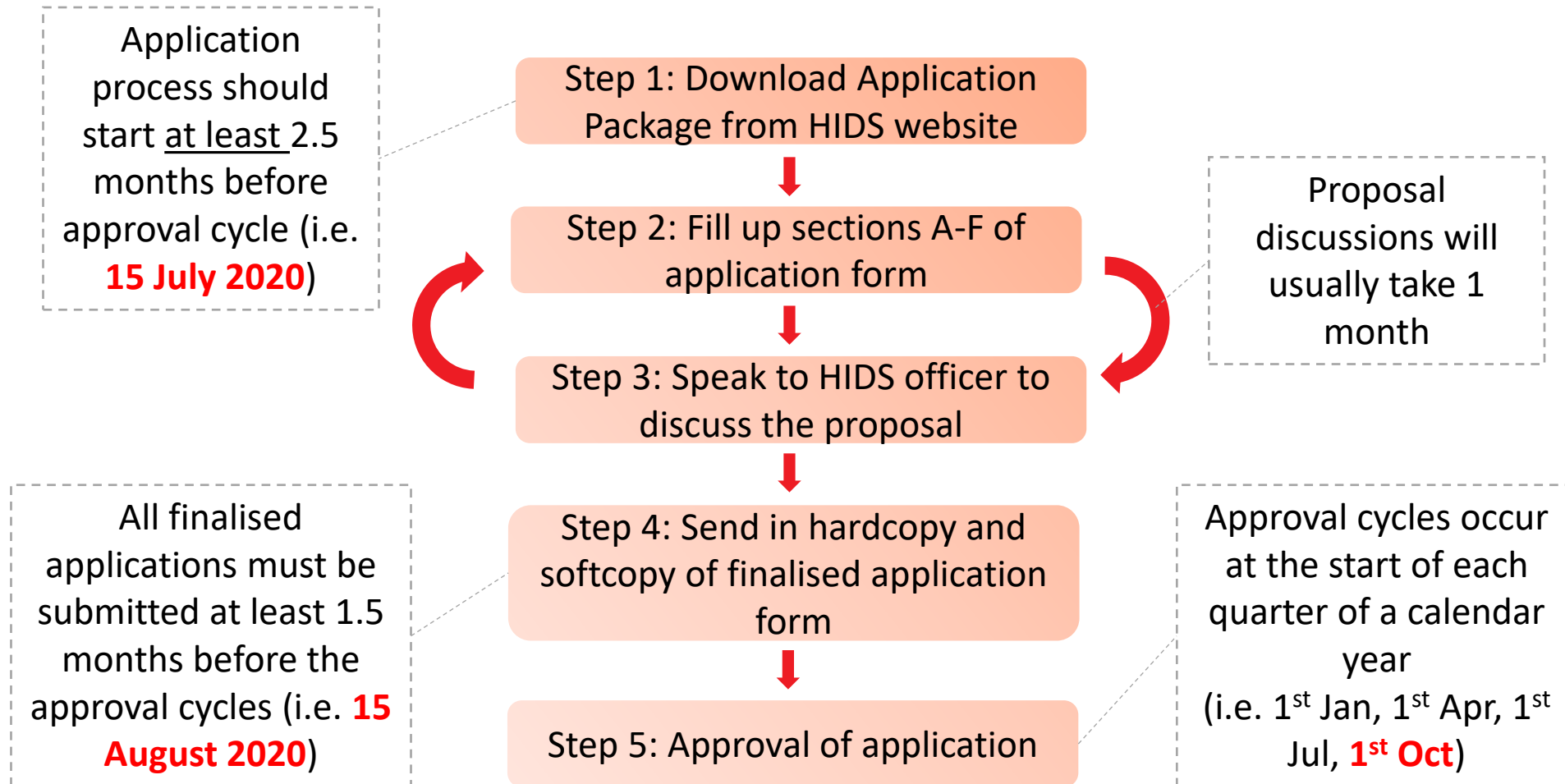
- Direct discounts to consumers
- Premiums to consumers
- Operational costs and overheads (e.g. electricity, rental, manpower, logistics)

HEALTHIER INGREDIENT DEVELOPMENT SCHEME

Funded and administered by Health Promotion Board



Application Process for HIDS



HEALTHIER INGREDIENT DEVELOPMENT SCHEME

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Requirements of Grant Participants

Submit Quarterly Sales & Progress Report every 3 months

- Sales has to be reported down to each outlet level each month, including any distributor's downstream outlets (distributor can send downstream list directly to HPB if information is sensitive)
- Participants will be given 1 month to churn out Quarterly Sales Report (i.e. submit by end October for July-September report)

Claims is on a reimbursement basis; to be submitted at the 6 month or 1 year mark

- Participants will be given 2 months to engage an External Auditor to audit their claims and submit all claim documents (i.e. submit by end May 2021 for October 2020-March 2021 claim)
- External Auditor has to be engaged at Participant's own cost
- Claims will only be disbursed upon fulfilment of Activity (64%) and/or Output KPI (16%)



LEAD COMMERCIALISATION GRANT

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Enterprise
Singapore

Qualifying expenses (qualifying period: 01 Sept 2020 to 31 August 2021)* for products developed through SSC 2020

| Marketing | Local in-market activities | Internationalisation activities |
|---|---|---|
| <ul style="list-style-type: none">Marketing and PR activities including launch of in-store promotions, road shows, pop-up store executed via an appointed marketing or PR agencyOnline advertising campaigns including SEM/SEO, digital/social media marketing | <ul style="list-style-type: none">Engage research institutes or experts (e.g. FIRC) to enhance product through R&DEngage vendor to explore innovative packaging to increase the shelf life of productListing fees on local supermarkets or sales channels | <ul style="list-style-type: none">Market research or market feasibility studiesSubscription / listing costs on global e-commerce platformsAdvisory on legal, tax, labour, import and export regulations in target market(s)Participation in overseas <u>non-iMAP</u> supported overseas Trade Fairs (space rental, booth design and construction)Subscription and listing fees in overseas supermarkets or channels |

***last day of submission for claims is strictly by 01 Oct 2021**



LEAD COMMERCIALISATION GRANT

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Enterprise
Singapore

Non-Supportable Activities/Costs

1. Marketing campaigns for other existing products under the winner's range of products
2. Expenses that are not related to commercializing the new product developed, marketing other products, etc.
3. Costs incurred for logistics, in-house manpower, maintenance, security deposit, sales commission and success fees
4. Costs incurred for the purpose of fulfilling contractual obligation with clients
5. Costs incurred for the purpose of sourcing for investors, raising capital and selling of company's shares
6. Costs incurred that are not listed in **slide 20**



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Enterprise
Singapore

Claim Submission Process

1. Complete **Claim Form**
2. Prepare **Final Report** Furnish **Supporting Documents** for cost items to be reimbursed
3. Claims have to be submitted with all supporting documents dated properly per company during the qualifying period. **Audit fees will be borne by the company separately. It will be billed to the company directly and all outstanding audit fees have to be paid by 15 Oct 2021 for the auditor to release the final report to SFMA before we can reimburse company.**



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Singapore

Final Report - Guidelines

1. The final report should summarise the product commercialisation, capabilities developed and the outcomes/benefits (e.g. increase in sales by x% to S\$y million, increase in market share by z%, etc)
2. State the markets (countries) and channels that the products can be found
3. Please keep the report between 1-2 pages, and include the final product, design outcomes, marketing brochures during submission
4. The report needs to be submitted on the company letterhead during the final claim for disbursement



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Enterprise
Singapore

Supporting Documentations for Claims

1. Please ensure the actual expenses stated in your claim summary table (excluding GST) correspond with the amount in the supporting documents
2. Please furnish all invoices, receipts and bank statements for each claim
3. Each company can submit 1 claim and **audit fees will be borne by the company separately. It will be billed to the company directly by the auditor**
4. All claims must be submitted before the stipulated deadline i.e. **01 Oct 2021**
5. SFMA will require 30 working days to process, reconcile and disburse the money to the companies

CO-ORGANISED BY:



SUPPORTED BY:



PREFERRED RETAIL PARTNER:



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