Integration of ODOP with ONDC

For Prelims: UPSC, IAS, One District One Product, Open Network for Digital Commerce, Initiatives Related to Food Processing Sector, Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME) Scheme, Atma Nirbhar Abhiyan, Self Help Groups (SHGs).

For Mains: Significance of One District One Product Initiatiative, Ways to Improve Agricultural Marketing.

Why in News?

Recently, Union Minister called for the **integration of One District One Product (ODOP) initiative with** Open Network for Digital Commerce (ONDC).

- ONDC would help in further expanding the frontiers of ODOP by **bringing buyers and sellers together on a democratic platform.**
  - It will help bring prosperity to the remotest regions of the nation.

What is the ODOP Approach?

- **About:**
  - ODOP is an approach adopted under the **Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME) Scheme.**
  - It will **provide for the framework for value chain development and alignment of support infrastructure of the PMFME scheme.** There may be more than one cluster of ODOP products in one district.
    - There **may be a cluster of ODOP products consisting of more than one adjacent district in a State.**
  - The States would **identify food products for districts** keeping in view the existing clusters and availability of raw material.
  - The **ODOP could be a perishable produce** based or cereal based or a food item widely produced in an area. E.g., mango, potato, pickle, millet-based products, fisheries, poultry, etc.
  - Certain other **traditional and innovative products** including waste to wealth products could be supported under the Scheme.
    - For example**, honey,** minor forest products **in tribal areas, traditional Indian herbal edible items like turmeric, amla, haldi,** etc.
- **Significance:**
  - **Adopting a cluster approach** will help in the **development of specific agriproducts in districts having a comparative advantage.**
  - It would lead to easing in providing **common facilities and other support services.**

What is the PMFME Scheme?

- **About:**
  - Launched under **Atma Nirbhar Abhiyan**, Pradhan Mantri Formalisation of Micro food

processing Enterprises (PMFME) Scheme aims to **enhance the competitiveness of existing individual micro-enterprises in the unorganised segment of the** food processing industry **and** to promote formalisation of the sector and provide **support to** Farmer Producer Organisations**,** Self Help Groups**, and Producers Cooperatives** along their entire value chain.
- The scheme adopts the One District One Product (ODOP) approach to reap the benefit of scale in terms of **procurement of inputs, availing common services and marketing of products.**
- It is being implemented over a **period of five years from 2020-21 to 2024-25.**
  - **Funding:**
    - It is a **centrally sponsored scheme** with an outlay of Rs. 10,000 crore.
    - The expenditure under the scheme would be shared in **60:40 ratio between Central and State Governments, in 90:10 ratio with North Eastern and Himalayan States, 60:40 ratio with UTs with legislature and 100% by Centre for other UTs.**

Way Forward

- ODOP should form a **part of international exhibitions, events, meetings and conferences to enhance international exposure of products.**
- There is a need for **simplifying, streamlining and fast tracking the GI tagging process.**
- Flagship programs of the government such as **Startup India**, **Make in India**, district as export hubs etc. should be converged with the vision of ODOP.
- Students of eminent institutions like NIFT, NID and IIFT should engage to find creative methods to amplify ODOP.
- Branding of the ODOP products, most of which are natural and eco-friendly as sustainable and good for the planet should be one of the agendas.
- The list of Geographical Indication (GI) **tagged products** needs to be expanded by simplifying, streamlining and fast tracking the GI tagging process.

Source: PIB

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