

# MADE IN HAWAII FESTIVAL

## MADE IN HAWAII LAW – Defined

### Our Mission:

### Promote Only Made In Hawaii Products

The following definitions of Made In Hawaii are the basis for assuring the credibility of the Made In Hawaii Festival. The Hawaii Food Association (HFIA) produces the festival to support locally made items. It is our mission to support locally sourced and manufactured goods that are made in Hawaii. It is our intent that the spirit of the law be our guide in determining product eligibility. We do this to be as fair as possible, while maintaining our Festival's credibility. While placing a price on creativity is not an easy thing, it is important to include this element in our definitions, especially when it comes to the value of products where creativity is a key component. Specifically this would apply to books and paintings. All other application of creative value in a product's cost will be severely scrutinized. The MIHF marketing committee's decision on eligible vendors or products is final.

**§486-119 Hawaii-made products; Hawaii-processed products.** (a) No person shall keep, offer, display or expose for sale, or solicit for the sale of any item, product, souvenir, or any other merchandise that is labeled "made in Hawaii" or that by any other means misrepresents the origin of the item as being from any place within the State, or uses the phrase "made in Hawaii" as an advertising or media tool for any craft item that has not been manufactured, assembled, fabricated, or produced within the State and that has not had at least fifty-one per cent of its wholesale value added by manufacture, assembly, fabrication, or production within the State.

(b) Subsection (a) notwithstanding, no person shall keep, offer, display, expose for sale, or solicit the sale of any perishable consumer commodity that is labeled "made in Hawaii", "produced in Hawaii", or "processed in Hawaii" or that by any other means represents the origin of the perishable consumer commodity as being from any place within the State, or use the phrase "made in Hawaii", "produced in Hawaii", or "processed in Hawaii" as an advertising or media tool for any perishable consumer commodity, unless the perishable consumer commodity is wholly or partially manufactured, processed, or produced within the State from raw materials that originate from inside or outside the State and at least fifty-one per cent of the wholesale value of the perishable consumer commodity is added by manufacture, processing, or production within the State. [L 1991, c 153, pt. of §6; am L 2009, c 80, §2]

**[§486-119.5] Acacia koa wood; representing content.** In addition to all other label and branding requirements, no person shall offer, display, expose for sale, or solicit for the sale of any timber, lumber, wood, or wood product described or labeled using the term "koa", either alone or in conjunction with other words unless the item is Acacia koa. Nothing in this section shall prevent the use of the term "koa" to describe wood products which are in part made of Acacia koa and, in part, other materials provided that the extent to which Acacia koa is utilized in the wood product is not misrepresented. [L 2002, c 18, §2]

**[§486-118] Misbranding.** (a) No person shall deliver for introduction, hold for introduction or introduce into the State; or keep, offer, or expose for sale; or sell any consumer commodity which is misrepresented or misbranded in any manner.

(b) The board, pursuant to section 486-7 and chapter 91, shall adopt rules relating to misbranding. The rules may:

(1) Require any person involved in the manufacture, processing, production, assembly, fabrication, or importation of a specified consumer commodity to keep and make available for inspection or copying by the administrator adequate records to substantiate the source of the consumer commodity, or in the case of blends, the source of such constituents, as may be required by the board;

(2) Establish fanciful names or terms, and in the case of blends, minimum constituent content by weight, to be used in labeling to differentiate a specific consumer commodity from an imitation or look-alike; and

(3) Establish requirements to reconcile the respective volumes of specific consumer commodities received versus the total amounts output, either as whole or processed product or as blends.

In addition, the board may adopt other rules as it deems necessary for the correct and informative labeling of consumer commodities. [L 1991, c 153, pt. of §6]

# Made In Hawaii Valuation Formula

The following formula will provide HFIA with documentation necessary to assure you meet the legal requirements with respect to your participating in the Made In Hawaii Festival.

There are three components of product cost:

- 1) Direct Material Cost— raw materials, distinguished by origin, imported or Hawaiian;
- 2) Direct Labor Cost — the cost of workers who add value to a product through their direct involvement in the production process here in Hawaii; and
- 3) Manufacturing Overhead Cost — indirect manufacturing costs incurred in Hawaii, which includes:
- 4) Indirect labor costs – wages of employees not directly involved in product, including
  - Wages for employees performing equipment maintenance and repairs;
  - Wages for production supervisors; and
  - Wages for personnel supporting production such as quality control inspectors.

State law prohibits the use of "made in Hawaii" as an advertising or media tool for any craft item that has not been manufactured, assembled, fabricated, or produced within the State and that has not had at least fifty-one per cent of its wholesale value added by manufacture, assembly, fabrication, or production within the State. **Everyone must submit a valuation and photos of their products with singular price points (for example a photo of one tee shirt representing your line of products).** We will be evaluating all products. We want to encourage the use of Hawaii suppliers and we appreciate you supporting Hawaii by making use of ALL local opportunities in the development of your product. **Applications and payment in full is due by January 31<sup>st</sup> for first right of refusal and March 1<sup>st</sup> 2012 for all other vendors.**

**Mahalo for supporting Hawaii!**

## EXAMPLE FORMULA

Cost — per individual unit

Material Cost — Imported	A	\$10.00
Hawaii Value Added		
Material Cost — Hawaii (Locally Produced Materials)	B	\$ 3.00
Direct Labor Cost — Hawaii	C	\$ 5.00
Manufacturing Cost — Hawaii		
Indirect Material Cost	D	\$ .20
Indirect Labor Cost	E	\$ .12
Creativity Value (if applicable)	F	\$ 2.10
Hawaii Value (B + C + D + E + F) (\$3.00 + \$5.00 + \$0.20 + \$0.12 + \$2.10)	G	\$10.42
Product Cost (Wholesale Value) (A + G) (10.00 + \$10.42)	H	\$20.42
Hawaii Wholesale Value Added (H - A) ÷ H = I	I	51.03%
Estimated Retail Selling Price	J	\$30.00

# MADE IN HAWAII FESTIVAL FORMULA WORKSHEET

Note: Please submit this information to the Made In Hawaii Festival. This information will remain confidential and not shared with anyone except the state of Hawaii Department of Agriculture upon request if needed for investigatory purposes.

Cost — per individual unit

Material Cost — Imported	A	\$	
Hawaii Value Added			
Material Cost — Hawaii (Locally Produced Materials)	B	\$	
Direct Labor Cost — Hawaii	C	\$	
Manufacturing Cost — Hawaii			
Indirect Material Cost	D	\$	
Indirect Labor Cost	E	\$	
Creativity Value (if applicable)	F	\$	
Hawaii Value (B + C + D + E + F)	G	\$	
Product Cost (Wholesale Value) (A + G)	H	\$	
Hawaii Wholesale Value Added $(H - A) \div H = \%$	I		%
Estimated Retail Selling Price	J		

Company's Name			
Address			
2 <sup>nd</sup> Address			
City		State	
Contact Person		Telephone	

I have reviewed this document and confirm that it is correct to the best of my knowledge.

Signature		Date	
Fax		Email	

Submit to:  
Hawaii Food Industry Association  
1050 Bishop Street  
Box 235  
Honolulu, HI 96813

Fax: 808-791-0702

Email: [exhibitors@madeinhawaiifestival.com](mailto:exhibitors@madeinhawaiifestival.com)