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THE ESTIMATED ECONOMIC IMPACT OF HAWAI'I PLACE-BASED MARKETING BY FIRMS WITHOUT MATERIAL TIES TO THE STATE OF HAWAI'I

Prepared for:

**Research and Economic Analysis Division, Department of
Business, Economic Development and Tourism**

**Agricultural Development Division, Hawai'i Department of
Agriculture**

March, 2020



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March 31, 2020

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**Re: Report on the Estimated Economic Impact of Hawai'i
Place-Based Marketing by Firms without Material Ties to the
State of Hawai'i**

Aloha,

We are pleased to provide the report on the aforementioned project.

We would like to thank the Department of Business, Economic Development and Tourism and the Hawai'i Department of Agriculture for the advice and help provided. It was with your help and the support of the community that the project was completed successfully.

We will be pleased to answer any questions that may arise.

Sincerely,

Hersh Singer
Chairman

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EXECUTIVE SUMMARY

Act 258, SLH 2019 requires the State Department of Business, Economic Development & Tourism (DBEDT), in consultation with the Department of Agriculture (DOA), to conduct a study to examine the impact of Hawai'i place-based marketing of products by firms with no material ties to the State.

DBEDT issued a Request for Proposal (RFP) in September 2019 and SMS Research & Marketing Services, Inc. was selected to work on the project. The project was started in November 2019 and an interim report was transmitted to the Legislature on December 17, 2019.

The project consists of three components: (1) Survey of local food producers, processors, and distributors; (2) Survey of U.S. mainland firms in the same industries; and (3) Case studies of the practices of three states: California, Idaho, and Wisconsin.

The survey was sent out to 754 local firms; of these, 201 firms completed the survey for a response rate of 27 percent. 611 surveys were sent out to U.S. mainland companies, and 50 were completed for a response rate of 8 percent. The following is a summary of the of the main survey results:

- ❖ Of the 201 local firms who responded to the survey, 44% were in the farming business; 23% in the manufacturing/food processing, and food services/restaurant was ranked third at 14%.
- ❖ Of the 50 U.S. mainland companies who responded to the survey, 32% were in the food services/restaurants business and 20% were in manufacturing/food processing with remainder in the trade-related industries.
- ❖ As presented in Table 1, 68% of the local firm respondents named their product with Hawai'i-associated names, while the other 32% did not.
- ❖ The responded local firms using Hawai'i-associated names as product brand had an average annual revenue of \$749,846 per firm, higher than that of those did not use Hawai'i brand names at \$554,355.

Table 1: Summary of Survey Results: Local Firms Characteristic

Category	Products with Hawai'i associated Name Brand	Products without Hawai'i - associated Name Brand	Total
% of total firms	68%	32%	100%
Average annual revenue per firm (\$)	\$749,846	\$554,355	\$686,719
Average number of employees per firm	31	39	34
% of firms purchase ingredients from Hawai'i ¹	79%	N/A	NA

Note: ¹Companies without products with Hawai'i associated name brands were excluded

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- ❖ The average number of employees per firm for local firms was 34 overall. Those firms using Hawai'i-associated names as product brands had a relatively smaller employment size, with an average of 31 employees per firm.
- ❖ Of those local firms using Hawai'i-associated names as product brands, 79% of them purchased ingredients from Hawai'i providers.
- ❖ As indicated in Table 2, 48% of the U.S. mainland firm respondents used Hawai'i-associated names as their product brand, while the other 52% did not. Of those companies that named their products with Hawai'i-associated names, 38% purchased ingredients from Hawai'i providers, while 62% of them did not use purchased ingredients from Hawai'i vendors. Retail/restaurants and food and manufacturing/food processing were the top industries that purchased ingredients from Hawai'i vendors.

Table 2: Summary of Survey Results: Mainland Firms Characteristic

Category	Products with Hawai'i associated Name Brand	Products without Hawai'i associated Name Brand	Total
% of total firms	48%	52%	100%
Average annual revenue per firm (\$)	\$ 43,344,318	\$ 182,129,348	\$ 114,278,889
Average number of employees per firm	135	141	138
% of firms purchase ingredients from Hawai'i ²	38%	N/A	NA

Note: ²Companies without products with Hawai'i associated name brands were excluded.

- ❖ U.S. mainland firms had an average employment size of 138. The ones using Hawai'i-associated names as their product brands were smaller in terms of employment size (135 versus 141) and annual revenues (\$43 million versus \$182 million).
- ❖ 35% of local firms with Hawai'i-associated product names indicated that their sales were negatively impacted by companies with no ties to the State of Hawai'i, but sell similar Hawai'i-associated named products; 30% felt no negative impacts, and 35% said they did not know.
- ❖ Table 3 presents the estimated economic impacts of place-based marketing using Hawai'i-associated brand names. The estimates were based on the 37 local firms that responded to the survey and indicated that their businesses were negatively impacted by the other companies using Hawai'i-related marketing with no ties to Hawai'i. The direct loss in sales for Hawai'i firms was \$14.4 million in 2019. Including the ripple effect in the economy, DBEDT estimated that the total loss in household income was \$8 million, loss in State taxes totaled \$1.5 million, job loss was 215 in 2019, and gross domestic product (GDP) loss was \$12.3 million (2019 Hawai'i total GDP was \$97.5 billion).

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Table 3: Economic Impact of Place-Associated Marketing on Hawai'i: 2019

Industry	Direct Revenue Loss (\$)	Household Income Loss (\$)	State Tax Loss (\$)	State GDP Loss (\$)	Job Loss
Farming	759,300	408,047	54,406	757,190	14
Food Services	10,020,000	6,160,231	1,232,046	9,652,311	168
Food Processing	1,720,000	765,545	120,533	847,116	19
Other Manufacturing	1,100,000	360,069	61,726	398,775	7
Wholesale Trade	700,000	313,450	45,058	588,837	5
Other	100,000	51,083	6,501	82,253	2
Total	14,399,300	8,058,425	1,520,271	12,326,484	215

Note: Losses in household income, state tax, State GDP, and job include direct, indirect, and induced impacts.
2012 Hawai'i State Input-Output Type II multipliers were applied.

Source: Calculations by Department of Business, Economic Development and Tourism.

Key Conclusions of Place-Based Marketing Best Practices Comparative Case Studies

A total of 10 interviews were completed via telephone and e-mails with the Attorney General's Offices, Department of Agriculture, and business and community stakeholders of the State of California, Idaho, and Wisconsin.

The general findings are the following:

- ❖ The formulation of strong state backed regulatory product boards and commissions greatly enhances industries' ability to protect its place of origin brand. The most successful groups mandate enrollment by all producers, distributors, and sellers while engaging in advocacy, enforcement, marketing, networking, legal issues, and research.
- ❖ States that have worked in partnership with industry groups to enact strict regulatory frameworks have seen more success in protecting regional brands within those industries. Building on existing federal origin programs can strengthen program support and reduce administrative challenges.
- ❖ Multi-sourced funding is often necessary to successfully execute origin programs and demonstrate enforcement intent, especially at program onset. Options for federal funding support is available for many purposes through MAP and FSMIP, but additional funding from state and membership sources is often required.

RESEARCH METHODOLOGY

Following is a list of key tasks SMS undertook to fulfill the stated objectives.

1. SMS compiled a list of Hawai'i-based firms/brands, produce distributors, and produce manufacturers that use Hawai'i-associated names for marketing food products for sale within the United States.
2. SMS compiled a list of U.S. mainland-based firms/brands, produce distributors, and produce manufacturers that use Hawai'i-associated names for marketing food products for sale within the U.S.
3. SMS has developed survey instruments for dissemination to Hawai'i and U.S. mainland firms that use Hawai'i-associated names for marketing fresh package goods/foods.
4. SMS has mailed or e-mailed surveys to the identified firms and in an effort to optimize responses; SMS has undertaken follow-up phone calls, e-mail reminders, and additional survey mailings.

Research Procedures and Methodologies Detailed

Acquisition of Company Names

Hawai'i-Based Firms using Hawai'i-Associated Names

The Hawai'i Firms List Compilation was undertaken with the support of the Department of Business, Economic Development and Tourism (DBEDT) and the Hawai'i Department of Agriculture (DOA). DOA provided the list of Farmers Bureau members, a list of the members of the Hawai'i Agriculture Industry Association, and multiple names of firms in the Hawai'i food industry. Ms. Sharon Hurd also contacted many of the associations directly requesting their cooperation in providing the names of their members.

SMS also acquired from InfoUSA (a database provider) a list of Hawai'i-based firms categorized into the following NACIS codes 111000, 311340, 311920, 311999, and 312120 which identify food manufacturers and distributors.

SMS downloaded the names of the participants in the 2019 Made in Hawai'i Festival. SMS staff searched each of the participants' corporate information including the firm's website, addresses, e-mail, phone number, and the names of key executives.

Another source utilized to identify Hawai'i-based firms that use Hawai'i-associated names for marketing food products was the United States Patent and Trademark Office database (USPTO). In order to identify such firms, it was necessary to develop a list of Hawai'i-associated names to undertake the trademark search. The SMS Team working with DBEDT and DOA compiled a list of Hawai'i-associated names. The initial names added to the Hawai'i-based companies included only "live" trademarks defined "as the mark is active, valid, and federal trademark rights can be asserted".

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The USPTO website was searched for Hawai'i-based companies whose trademarks contained any of the following Hawai'i-associated names.

❖ 'Ohana	❖ Kahuku	❖ Maui	❖ Wai'alae
❖ Aloha	❖ Kalaupapa	❖ Mauna	❖ Wai'anae
❖ Big Island	❖ Kamuela	❖ Kea	❖ Waiāhole
❖ Hale'iwa	❖ Kapalua	❖ Mauna	❖ Waikīkī
❖ Haleakalā	❖ Kaua'i	❖ Loa	❖ Waimea
❖ Hāmākua	❖ Kona	❖ Moloka'i	❖ Waimea
❖ Hāna	❖ Lahaina	❖ Molokini	❖ Canyon
❖ Hawai'i	❖ Lāna'i	❖ Ni'ihau	❖ Waimea
❖ Hawaiian	❖ Lanikai	❖ O'ahu	❖ Valley
❖ Hilo	❖ Mahalo	❖ Olomana	
❖ Honolulu	❖ Makapu	❖ Po'ipū	
❖ Kā'anapali	❖ Mākena	❖ Puna	

Summary of Hawai'i-Based Company Counts as of December 12, 2019 was as follows:

Hawai'i-Based Firms	
Source	Count
NCIS INFO USA	119
Hawai'i Agriculture	88
Made in Hawai'i Festival	410
Various Associations	204
U.S. Trademark Food Farm/Restaurant/Retail Live	895
Total Hawai'i-Based Companies	1,716

The SMS staff reviewed each company's information. SMS staff verified each company's information by searching for its corporate information on a variety of websites to confirm the company's current address, names of executives, e-mail and website address. All these variables were added to the master list which is provided as an electronic file with this report.

In an effort to increase the potential mailing base, SMS added Hawai'i-based companies who utilized Hawai'i-associated name trademarks, but whose trademarks were classified as "dead" trademarks. Dead trademarks are defined as trademarks that can no longer be legally protected, but the goods or services may continue to be marketed under the registered names. SMS then cleaned all available company names to exclude all non-farm, non-food companies.

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The final database of Hawai'i-based farms or food-related companies who market or produce Hawai'i-associated named products as of January 7, 2020 is 901 companies.

Hawai'i-Based Firms			
Source	Count	Not Food/Farm/ Duplicates	NET
NCIS INFO USA	119	5	114
Hawai'i Agriculture	88	3	85
Made in Hawai'i Festival	410	318	92
Various Associations	204	47	157
U.S. Trademark Food Farm/Restaurant/Retail - Live	895	681	214
U.S. Trademark Food Farm/Restaurant/Retail - Dead	1,230	991	239
Total	2,946	2,045	901

To ensure a successful mailing, SMS utilizes the USPS approved SmartMailer software to verify the validity of the addresses. Ninety-six (96) addresses were identified as non-deliverable. The first mailing to the 805 properly addressed firms took place on January 14, 2020.

First Mailing:

Net Companies Identified as Food/Farm	Identified as Non- deliverable Prior to Mailing	First Mailing
901	96	805

Some of the associations such as the Farm Bureau did not wish to share their members' information with third parties. SMS developed a special survey link for these organizations so that they can forward the link to their members and request their participation. The link was provided to the organization's executive directors who distributed the link to their members.

SMS also received more than 30 requests directly from Kona Coffee farmers requesting the opportunity to complete the survey. SMS provided each of the farmers with the appropriate web-survey link.

As of January 30, 2020 the following summary of returns and the follow-up mailings were summarized.

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Second Mailing:

First Mailing Count	Returned as Undeliverable by Post Office	Additional Names from Foods of Hawai'i	Returned Completed Surveys	Second Mailing
805	121	70	102	652

The second mailing to 652 companies was undertaken on February 5, 2020. The variance between the 805 and 652 are additional mailing addresses received, the non-deliverable addresses and returned completed surveys received between January 30 and February 5, 2020.

To further encourage participation SMS call center supervisors called the Hawai'i-based companies and endeavored to speak to the individual to whom the survey was directed. Attached as Appendix 1a is the telephone script utilized. The following reports summarize the results of the calling effort.

Hawai'i Call Record Sheet

Total numbers in system	721
Duplicates	149
In Do-not-call list	6
Total numbers attempted	566
Refusal (by Last disposition)	20
Not in service (by Last disposition)	78
Answering machine / No answer /Busy (by Last disposition)	289
Does not pass screener (by Last disposition)	28
Completes	76
Completion rate	13.4%

SMS followed up with three subsequent e-mails to executives whose e-mail addresses were available. The final count of returned completed surveys and response rate is:

Total Mailings*	Returned Completed Survey	Response Rate
754	201	27%

* Total mailings is first mailing plus additional names less undeliverable mail.

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i

U.S. Mainland-Based Firms using Hawai'i-Associated Names

The primary source utilized to identify Hawai'i firms that use Hawai'i-associated names for marketing food products for sale within the United States is the United States Patent and Trademark Office database (USPTO). In order to identify such firms, it was necessary to develop a list of Hawai'i-associated names to undertake the trademark search. The SMS Team working with DBEDT and DOA compiled a list of Hawai'i-associated names. The USPTO website was searched for trademarks containing any of the following place names.

❖ 'Ohana	❖ Kahuku	❖ Maui	❖ Wai'alae
❖ Aloha	❖ Kalaupapa	❖ Mauna	❖ Wai'anae
❖ Big Island	❖ Kamuela	❖ Kea	❖ Waiāhole
❖ Hale'iwa	❖ Kapalua	❖ Mauna	❖ Waikīkī
❖ Haleakalā	❖ Kaua'i	❖ Loa	❖ Waimea
❖ Hāmākua	❖ Kona	❖ Moloka'i	❖ Waimea
❖ Hāna	❖ Lahaina	❖ Molokini	❖ Canyon
❖ Hawai'i	❖ Lāna'i	❖ Ni'ihau	❖ Waimea
❖ Hawaiian	❖ Lanikai	❖ O'ahu	❖ Valley
❖ Hilo	❖ Mahalo	❖ Olomana	
❖ Honolulu	❖ Makapu	❖ Po'ipū	
❖ Kā'anapali	❖ Mākena	❖ Puna	

As stated, the primary source of U.S. mainland-based firms who produce, distribute, and manufacture products/brands that use Hawai'i-associated names for marketing food products for sale within the United States is the United States Patent and Trademark Office database (USPTO). The database was downloaded. The initial count of U.S. mainland companies is shown in the table below.

U.S. Mainland-Based Firms	
Source	Count
US Trademark Food Farm/Restaurant/ Retail and others -- Live	743
Total U.S. Mainland-Based Companies	743

This list consisted of “live” trademarks defined “as the mark is active, valid, and federal trademark rights can be asserted”.

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Though the initial download endeavored to search specifically for farms, food processors manufacturers or marketing companies, a thorough review of each company was undertaken by SMS staff. SMS staff verified the product category associated with the trademark, confirmed the company's address, added phone numbers where available, and the company's website. As a result of the database cleaning the number of organizations was reduced to 275 as can be noted in the following table.

U.S. Mainland-Based Firms			
Source	Count	Not Food/Farm/ Duplicates	Net
U.S. Trademark Food Farm/Restaurant/Retail - Live	743	468	275

In an effort to develop a larger list of U.S. mainland companies, SMS staff added the "dead" trademark companies that qualified under the designated definition. A "dead" trademark is defined as "the registration is no longer valid either because the applicant stopped using it or because the USPTO cancelled it. In either case, federal rights can't be asserted (though the applicant may still be using the trademark and may also still claim common law or state trademark rights)." SMS staff went through the "dead" trademark companies individually to ensure they marketed food or farm-related products – the number of qualified companies increased to 724.

First Mailing:

Live Trademark Companies Identified as Food/Farm	Add "dead" Trademark Companies Identified as Food/Farm	Identified as Non- deliverable Prior to Mailing	First Mailing
275	482	33	724

The first mailing to the U.S. mainland-based companies took place January 14, 2020. As of January 30, 2020, SMS received 20 completed surveys and planned for a second mailing of the surveys to non-responding companies. The second mailing to 591 companies took place on February 5, 2020.

Second Mailing:

First Mailing Count	Returned as Non- deliverable by Post Office	Delivered Surveys	Returned Completed Surveys	Second Mailing
724	113	611	20	591

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i

To further encourage participation SMS call center supervisors called the U.S. mainland-based companies to speak to the individual to whom the survey was directed. Attached as Appendix 1a is the telephone script utilized. The following reports summarize the results of the calling effort.

Mainland Call Record Sheet

Total numbers in system	408
Duplicates	22
In Do-not-call list	1
Total numbers attempted	385
Refusal (by Last disposition)	51
Not in service (by Last disposition)	66
Answering machine / No answer /Busy (by Last disposition)	209
Does not pass screener (by Last disposition)	1
Completes	32
Completion rate	8.3%

SMS forwarded e-mails to U.S. mainland-based companies three times in an effort to further encourage participation in the survey.

Following is the summary of completed returned surveys and response rate from U.S. mainland-based companies.

Total Mailings Delivered	Returned Completed Survey	Response Rate
611	50	8%

Survey Instrument Development

Working with DBEDT and DOA, SMS has developed and is currently pre-testing the cover letters and survey instruments to be used in data gathering. The primary objectives of the surveys are to gather the following information from the identified Hawai'i and U.S. mainland-based firms:

- ❖ Contact information
- ❖ Type of business (manufacturing, wholesale, retail, etc.)
- ❖ The location of the business and manufacturing operations
- ❖ A list of ingredients that originated in the State of Hawai'i (if applicable)
- ❖ Names of Hawai'i firms that the ingredients are purchased from (if applicable)
- ❖ Estimated sales value of the products that use Hawai'i place-based marketing
- ❖ Hawai'i-based firms will be requested to quantify the negative economic impact on their business resulting from the marketing of Hawai'i-associated named products by U.S. mainland firms
- ❖ Number of employees attributed to the products using Hawai'i place-based marketing

The surveys were pre-tested prior to mailing to the target audiences. Twelve (12) random U.S. mainland and 12 random Hawai'i-based companies were selected to receive the pre-test mailing. SMS followed up with personal interviews with four U.S. mainland-based companies and eight Hawai'i-based companies to review any survey issues. Respondents had no issues and the mailing to all companies proceeded.

The survey instruments and cover letters are attached as Appendix 1b for review. As will be noted in the survey instruments, multiple questions regarding economic and financial impact of usage of Hawai'i-associated names are included in both surveys.

SUMMARY OF SURVEY RESULTS

SMS utilized the statistical package SPSS V22 to aggregate and analyze the data. SMS professionals scanned all returned mail surveys and downloaded the web surveys to SPSS. SMS then cleaned the data and prepared it for analysis. For quality assurance, SMS undertook the following steps:

- ❖ Verified that no duplicated surveys were returned to SMS. In other words, SMS professionals ensured that the unique passwords provided to respondents were not submitted twice. SMS deleted one duplicated survey in this manner—presented by a respondent through the mail and web.
- ❖ SMS further verified that web surveys were submitted by unique respondents by verifying the IP addresses of all web surveys. No duplicates were identified.
- ❖ SMS undertook follow-up verification calls with respondents to confirm their response to the economic impact questions in the survey.
- ❖ SMS reviewed the Dun & Bradstreet financial report of one of the respondents who could not be reached by phone. The verification confirmed that the data presented is reliable.

Hawai'i Summary of Survey Results

The following section is a summary of results. Some of the percentages may not add up to 100% due to rounding. The table below presents the estimated Hawai'i economic impacts of place-based marketing using Hawai'i-associated brand names. The estimates were based on the 37 local firms that responded to the survey and indicated that their businesses were negatively impacted by the other companies using Hawai'i-related marketing with no ties to Hawai'i. The direct loss in sales for Hawai'i firms was \$14.4 million in 2019. Including the ripple effect in the economy, DBEDT estimated that the total loss in household income was \$8 million, loss in State taxes totaled \$1.5 million, job loss was 215 in 2019, and gross domestic product (GDP) loss was \$12.3 million (2019 Hawai'i total GDP was \$97.5 billion).

Economic Impact of Place-Associated Marketing on Hawai'i: 2019

Industry	Direct Revenue Loss (\$)	Household Income Loss (\$)	State Tax Loss (\$)	State GDP Loss (\$)	Job Loss
Farming	759,300	408,047	54,406	757,190	14
Food Services	10,020,000	6,160,231	1,232,046	9,652,311	168
Food Processing	1,720,000	765,545	120,533	847,116	19
Other Manufacturing	1,100,000	360,069	61,726	398,775	7
Wholesale Trade	700,000	313,450	45,058	588,837	5
Other	100,000	51,083	6,501	82,253	2
Total	14,399,300	8,058,425	1,520,271	12,326,484	215

Note: Losses in household income, state tax, State GDP, and job include direct, indirect, and induced impacts.

2012 Hawai'i State Input-Output Type II multipliers were applied.

Source: Calculations by Department of Business, Economic Development and Tourism.

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i

Following are the summary of results of all survey questions. The survey instruments can be viewed in Appendix 1b.

A total of 201 local firms responded to the survey. The survey results provide a margin of error of plus/minus of six percent at 95 percent confidence interval.

Four out of ten (44%) survey participants are part of the Hawai'i-farming community. The other large segments of respondents are manufacturing / food processing (23%) and food services / restaurants (14%).

	Number of Companies	Percent
Food Services / Restaurants	29	14
Farming	88	44
Grocery / Supermarkets	2	1
Manufacturing / Food Processing	46	23
Manufacturing (Other)	14	7
Wholesale Trade	14	7
Other	8	4
Total Companies	201	100
<i>Question: Please select your company's primary industry. (SELECT ONLY ONE)</i>		

The range of annual revenues of responding companies is broad with a third of the companies reporting annual revenues under \$99,999 and an equal percentage over million dollars. The mean annual revenue of the companies is \$686,719.

	Number of Companies	Percent
\$0 to \$99,999	66	33
\$100,000 to \$499,999	31	15
\$500,000 to \$999,999	28	14
\$1,000,000 or more	67	33
Don't know / Refused	9	4
Total Companies	201	100
	Number of Companies	Values
Mean	192	\$ 686,719
Median	192	\$ 482,142
/1 Midpoint was taken from each category, derived from the raw data		
/2 "Don't know/Refused" were filtered out		
/3 For "0 to \$10,000" category, \$5,000 was used as midpoint		
/4 For "\$1,000,000+" category, \$1,500,000 was used as midpoint		
<i>Question: What was the estimated annual revenue of your company in 2019?</i>		

Two out of ten companies are operated only by the owner/manager. A majority (88%) of the reporting Hawai'i companies have less than 49 employees. The mean number of employees in local responding companies is 34 employees. The median number of employees is four.

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i

	Number of Companies	Percent
None	41	20
1 to 9	94	47
10 to 49	42	21
50 to 99	11	5
100 to 249	5	2
250 to 499	4	2
500 or more	3	1
Don't know	1	0
Total Companies	201	100
	Number of Companies	Values
Mean	200	34
Median	200	4
/1 Midpoint was taken from each category, derived from the raw data		
/2 "Don't know/Refused" were filtered out		
/3 For "500 or more" category, 750 was used as midpoint		
Question: How many <u>full-time equivalent</u> employees worked at your company in 2019?		

A majority of reporting Hawai'i companies operate at one location. Only 23 percent of local responding companies operate in more than one location.

	Number of Companies	Percent
Yes	47	23
No	154	77
Total Companies	201	100
Question: Does your company have more than one location?		

A minority (38%) of the companies serve only the Hawai'i local market. A majority serves the local, national and international markets. A minority (8%) serve only markets outside of Hawai'i.

	Number of Companies	Percent
Locally only	76	38
Locally and Nationally	31	15
Locally and Internationally	1	0
Locally, Nationally, and Internationally	73	36
Nationally and Internationally	1	0
Nationally Only	7	3
Internationally Only	11	5
Don't know / Refused	1	0
Total Companies	201	100
Question: Where are the customers of your company?		

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i

Sixty-eight percent (68%) of the Hawai'i-based responding companies manufacture or distribute products with a Hawai'i-associated name brand. The range of names used by the companies is presented in Appendix 2.

	Number of Companies	Percent
Yes	136	68
No	65	32
Total Companies	201	100

Question: Does your company manufacture or distribute brands or products with Hawai'i-associated names such as Hawai'i, Aloha, Maui, etc.?

The median and mean number of employees in local companies that manufacture or distribute products with a Hawai'i-associated name brand is four as compared to three at the companies that do not distribute such products.

	Does your company manufacture or distribute brands or products with Hawai'i-associated names such as Hawai'i, Aloha, Maui, etc.?		
	Yes	No	Total Companies
N	135	65	200
Mean Size of Company (Number of Full Time Employees)	31	39	34
Median Size of Company (Number of Full Time Employees)	4	3	4

Note: "Don't know/Refused" on FTE were filtered when calculating the mean and median

Question: Does your company manufacture or distribute brands or products with Hawai'i-associated names such as Hawai'i, Aloha, Maui, etc. by mean and median size of firm.

Local companies that manufacture or distribute products with a Hawai'i-associated name brand operate in similar business categories as those that do not, with one exception – manufacturing / food processing. Twenty-six percent (26%) of the reporting Hawai'i companies that use Hawai'i-associated names are in the manufacturing / food processing business as compared to 15 percent of those that do not use Hawai'i-associated names.

	Does your company manufacture or distribute brands or products with Hawai'i-associated names such as Hawai'i, Aloha, Maui, etc.?					
	Yes		No		Total Companies	
	Number of Companies	Percent	Number of Companies	Percent	Number of Companies	Percent
Food Services / Restaurants	13	10%	16	25%	29	14%
Farming	60	44%	28	43%	88	44%
Grocery / Supermarkets	1	1%	1	2%	2	1%
Manufacturing / Food Processing	36	26%	10	15%	46	23%
Manufacturing (Other)	12	9%	2	3%	14	7%
Wholesale Trade	9	7%	5	8%	14	7%
Other	5	4%	3	5%	8	4%
Total Companies	136	100%	65	100%	201	100%

Question: Does your company manufacture or distribute brands or products with Hawai'i-associated names such as Hawai'i, Aloha, Maui, etc.? by types of industries

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i

Six in ten (57%) of local companies who manufacture or distribute products with Hawai'i-associated name brands state that 75 percent or more of their revenues are represented by these products ("valid percent" is calculated based on the total number of respondents that provided an answer to the question and does not include those that refused to answer).

	Number of Companies	Percent	Valid Percent
0 to 24%	20	10	15
25 to 49%	10	5	7
50 to 74%	22	11	16
75 to 100%	78	39	57
Don't know / Refused	6	3	4
Companies with Hawai'i-associated names products	136	68	100
Companies with NO Hawai'i-associated names products (Excluded from analysis)	65	32	
Total Companies	201	100	

Question: What percent of your annual revenue is represented by these products?

The mean revenue generated by local companies who manufacture or distribute Hawai'i-associated name branded products is \$508,818 per annum.

	Mean annual revenue represented by manufacture or distribute brands or products with Hawai'i-associated names
Number of companies that <u>USE</u> Hawai'i-associated names and responded to Q2 and Q9	126
Number of companies that <u>DO NOT USE</u> Hawai'i-associated names or refused to answer Q2 or Q9 (Excluded from analysis)	75
Mean	\$ 508,818
Median	\$ 290,625
Note: Respondents who refused to Q2 and Q9 were filtered	
<i>Question: Mean/Median annual revenue represented by products with Hawai'i-associated name, in dollars</i>	

Seven out of ten (73%) of the Hawai'i companies' employees who manufacture or distribute Hawai'i-associated brand named products are directly employed in the manufacturing or distribution of these products ("valid percent" is calculated based on the total number of respondents that provided an answer to the question and does not include those that refused to answer).

	Number of Companies	Percent	Valid Percent
0 to 24%	15	7	11
25 to 49%	5	2	4
50 to 74%	6	3	4
75 to 100%	99	49	73
Don't know / Refused	11	5	8
Companies with Hawai'i-associated names products	136	68	100
Companies with NO Hawai'i-associated names products (Excluded from analysis)	65	32	
Total Companies	201	100	

Question: What percent of your employees work directly on the Hawai'i-associated products?

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i

A majority (79%) of the Hawai'i companies that manufacture or distribute Hawai'i-associated name brands purchase ingredients or components from Hawai'i-based vendors for their products ("valid percent" is calculated based on the total number of respondents that provided an answer to the question and does not include those that refused to answer).

	Number of Companies	Percent	Valid Percent
Yes	107	53	79
No	28	14	21
Don't know/Refused	1	0	1
Companies with Hawai'i-associated names products	136	68	100
Companies with NO Hawai'i-associated names products (Excluded from analysis)	65	32	
Total Companies	201	100	

Question: Do you acquire or purchase ingredients, components or items from Hawai'i-based vendors for your products?

Local companies that manufacture or distribute products with Hawai'i-associated name brands purchase an average of \$367,473 of components and ingredients from Hawai'i-based companies. List of components or ingredients that these companies acquire or purchase from Hawai'i-based vendors can be reviewed in Appendix 3 ("valid percent" is calculated based on the total number of respondents that provided an answer to the question and does not include those that refused to answer).

	Number of Companies	Percent	Valid Percent
< \$50,000	36	18	34
\$50,000 to \$100,000	9	4	8
\$100,000 to \$500,000	22	11	21
\$500,000 or more	26	13	24
Don't know	5	2	5
Refused	9	4	8
Companies with Hawai'i-associated names products and purchase ingredients, components or items from Hawai'i-based vendors for their products?	107	53	100
Companies with no Hawai'i-associated names products or do not purchase ingredients, components or items from Hawai'i-based vendors for their products? (Excluded from analysis)	94	47	
Total Companies	201	100	

Question: Approximately what was the value of your purchases from Hawai'i-based vendors in 2019?

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Names of local vendors from whom Hawai'i-based companies purchase components or ingredients can be reviewed in Appendix 4.

Hawai'i-based companies that manufacture or distribute products with a Hawai'i -associated name brand but do not buy components or ingredients from local companies do not do so because they produce their own components or ingredients.

- ❖ We supply our own products (22)
- ❖ Other vendors are cheaper (2)
- ❖ Our supplies are from the mainland (2)
- ❖ Other (1)

Base: Companies that do not purchase products from Hawai'i vendors.

Question: Can you please specify why you do not buy any products from Hawai'i-based vendors?

A majority of Hawai'i-based companies who manufacture or distribute products with Hawai'i-associated name brand agree that the Hawai'i-associated name is important to their success, provides premium pricing opportunities, positions the product as high quality, and makes their products unique in the marketplace.

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Don't know		Total Companies	
	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %
Is important to the success of our products	3	2%	2	1%	5	4%	26	19%	97	71%	3	2%	136	100%
Provides an opportunity to price products at a premium level	4	3%	5	4%	21	15%	33	24%	68	50%	5	4%	136	100%
Helps position our products as high quality	4	3%	2	1%	16	12%	40	29%	70	51%	4	3%	136	100%
Makes our products unique in the marketplace	3	2%	2	1%	11	8%	26	19%	91	67%	3	2%	136	100%
<i>Question: On a scale of 1 to 5, overall, how strongly do you agree or disagree with the following (1 BEING STRONGLY DISAGREE AND 5 BEING STRONGLY AGREE)?</i>														

An equal number of companies who manufacture or distribute products with a Hawai'i-associated brand name state that their revenues were negatively impacted by competitors with no material ties to Hawai'i as those that do not agree. Of those responded local firms with Hawai'i-associated named products, 35 percent indicated that their sales were negatively impacted by the companies selling similar products in the marketplace and using Hawai'i-related marketing but has no ties to Hawai'i State; 30 percent of them felt no negative impacts, and 35 percent said they did not know ("valid percent" is calculated based on the total number of respondents that provided an answer to the question and does not include those that refused to answer).

	Number of Companies	Percent	Valid Percent
Yes	48	24	35
No	41	20	30
Don't know	47	23	35
Companies with Hawai'i-associated names products	136	68	100
Companies with no Hawai'i-associated names products (Excluded from analysis)	65	32	
Total Companies	201	100	
<i>Question: Has your company's annual revenues been negatively impacted by companies, without material ties to the state, using Hawai'i-related marketing?</i>			

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i

A plurality (33) of the companies that state that they are negatively impacted by companies without ties to Hawai'i who manufacture or produce Hawai'i-associated named products are farmers. The mean 2019 sales volume of these companies is \$627,128 as compared to the companies who stated no negative impact at \$708,571.

	Yes	No	Don't know	Total
Food Services / Restaurants	3	7	3	13
Farming	33	12	15	60
Grocery / Supermarkets	0	0	1	1
Manufacturing / Food Processing	6	13	17	36
Manufacturing (Other)	3	4	5	12
Wholesale Trade	3	2	4	9
Other	0	3	2	5
Total companies	48	41	47	136

Question: Has your company's annual revenues been negatively impacted by companies, without material ties to the state, using Hawai'i-related marketing?, by index

The responded local firms (48 less 11 Don't know/refused) who indicated their sales were negatively impacted by companies using Hawai'i-related marketing but have no ties to Hawai'i estimated their loss in sales at \$14.4 million in 2019. Including the ripple effect in the economy, DBEDT estimated that the total loss in household income was \$8 million, loss in state taxes totaled \$1.5 million, and job loss was 215 in 2019 ("valid percent" is calculated based on the total number of respondents that provided an answer to the question and does not include those that refused to answer).

	Number of companies	Percent	Valid Percent
\$0 to \$10,000	10	5	21
\$10,001 to \$25,000	9	4	19
\$25,001 to \$50,000	5	2	10
\$50,001 to \$100,000	7	3	15
\$100,001 to \$500,000	3	1	6
\$500,001 to \$1,000,000	1	0	2
\$1,000,000 or more	2	1	4
Don't know / Refused	11	5	23
Total companies with negative impacts	48	24	100
Total companies with NO negative impacts or with no Hawai'i name associated products (Excluded from analysis)	153	76	
Total companies	201	100	

Q18. What was your estimated annual loss in 2019 from companies, without material ties to the state, using Hawai'i-related marketing names?

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U.S. Mainland Summary of Survey Results

The small sample of U.S. mainland respondents must be viewed as an indicator of these companies, not as a statistically valid representation of the companies. Though SMS has provided the percentage distribution of the responding companies, the commentary will be restricted to the number of companies responding to specific questions.

The largest number of U.S. mainland companies that use Hawai'i-associated names for their products are in the food service/restaurants and manufacturing/food processing segments. Of the 50 U.S. mainland companies who responded to the survey, 16 are in the Food Service/Restaurants business and 10 are in the Manufacturing/Food Processing.

	Number of Companies	Percent
Food Service/Restaurants	16	32
Farming	1	2
Grocery/Supermarkets	2	4
Manufacturing/Food Processing	10	20
Manufacturing (Other)	4	8
Wholesale Trade	6	12
Retail Trade	3	6
Other	8	16
Total companies	50	100
<i>Question: Please select your company's primary industry. (SELECT ONLY ONE)</i>		

Median revenue of the U.S. mainland companies is \$1,750,000 in 2019. Twenty-one (21) of the responding companies have revenues under \$999,999 and 11 companies had sales ranging between \$1 million and \$9,999,999. Thirteen (13) companies had sales in excess of \$10 million with 5 companies' revenues exceeded \$500 million.

	Number of Companies	Percent
\$0 to \$999,999	21	42
\$1,000,000 to \$9,999,999	11	22
\$10,000,000 to \$99,999,999	3	6
\$100,000,000 to \$499,999,999	5	10
\$500,000,000 or more	5	10
Refused	5	10
Total companies	50	100
	Number of Companies	Values
Mean	45	\$ 114,278,889
Median	45	\$ 1,750,000
/1 Midpoint was taken from each category, derived from the raw data		
/2 "Don't know/Refused" were filtered out		
/3 For "0 to \$100000" category, \$50000 was used as midpoint		
/4 For "\$500,000,000+" category, \$750,000,000 was used as midpoint		
<i>Question: What was the estimated annual revenue of your company in 2019?</i>		

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The U.S. mainland companies have a median of 59 employees. A majority of the responding U.S. mainland companies have less than 100 employees – 40 of the 50 responding companies. Two (2) companies reported more than 1,000 employees.

	Number of Companies	Percent
Under 100	40	80
100-499	5	10
500-749	1	2
1,000-1,499	2	4
Refused	2	4
Total companies	50	100
	Number of Companies	Values
Mean	48	138
Median	48	59

Question: How many full-time equivalent employees worked at your company in 2019?

Most of the U.S. mainland companies have only one location. Fifteen (15) of the 50 responding companies have more than one location.

	Number of Companies	Percent
Yes	15	30
No	35	70
Total companies	50	100

Question: Does your company have more than one location?

A majority of the U.S. mainland companies' clients are local with only a few companies marketing their products only nationally or internationally. Twenty-four (24) of the 50 responding U.S. mainland companies serve their clients locally. A minority of the companies serve the national or international markets.

	Number of Companies	Percent
Locally only	24	48
Locally and Nationally	5	10
Locally, Nationally, and Internationally	8	16
Nationally Only	7	14
Internationally Only	6	12
Total companies	50	100

Question: Where does your company service clients...?

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i

Almost half of the U.S. mainland companies manufacture or distribute products with a Hawai'i-associated name brand. Of the responded U.S. mainland, 24 of the 50 responding firms manufacture or distribute products with Hawai'i-associated names while the other 26 companies did not. Of those that named their products with Hawai'i-associated names, 38 percent were in farming and food processing businesses.

	Number of Companies	Percent
Yes	24	48
No	26	52
Total companies	50	100
<i>Question: Does your company manufacture or distribute brands or products with Hawai'i-associated names such as Hawai'i, Aloha, Maui, etc.?</i>		

To review the names of the Hawai'i-associated named products manufactured or distributed by U.S. mainland companies please see Appendix 5.

Of those U.S. mainland firms using Hawai'i-associated names for their products, they claimed an average of 36 percent of their revenues were from sales of the Hawai'i-associated name products. The Hawai'i-associated named products represent over 75 percent of 6 companies' revenues. Thirteen (13) companies state that these products represent less than 24 percent of their annual revenues ("valid percent" is calculated based on the total number of respondents that provided an answer to the question and does not include those that refused to answer).

	Number of Companies	Percent	Valid Percent
0 to 24%	13	26	54
25 to 49%	2	4	8
50 to 74%	2	4	8
75 to 100%	6	12	25
Don't know/Refused	1	2	4
Companies with Hawai'i-associated names products	24	48	100
Companies with NO Hawai'i-associated names products (Excluded from analysis)	26	52	
Total Companies	50	100	
<i>Question: What percent of your annual revenue is represented by these products?</i>			

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The per annum revenues represented by the manufacture or distribution of Hawai'i-associated names by U.S. mainland companies is \$18,336,437.

	Mean annual revenue represented by manufacture or distribute brands or products with Hawai'i-associated names
Number of companies that <u>USE</u> Hawai'i-associated names and responded to Q2 and Q9	21
Number of companies that <u>DO NOT USE</u> Hawai'i-associated names or refused to answer Q2 or Q9 (Excluded from analysis)	29
Mean	\$ 18,336,437
Median	\$ 175,000

Question: Mean/Median annual revenue represented by products with Hawai'i-associated names, in dollars

The percent of employees who work directly with Hawai'i-associated named products in U.S. mainland companies are concentrated in the under 24 percent and over 75 percent of total employees. In terms of employment, those U.S. mainland firms with Hawai'i-associated named products had an average of 43 percent of their employees working on the products ("valid percent" is calculated based on the total number of respondents that provided an answer to the question and does not include those that refused to answer).

	Number of Companies	Percent	Valid Percent
0 to 24%	12	24	50
25 to 49%	3	6	13
75 to 100%	9	18	38
Companies with Hawai'i-associated names products	24	48	100
Companies with NO Hawai'i-associated names products (Excluded from analysis)	26	52	
Total Companies	50	100	

Question: What percent of your employees work directly on the Hawai'i-associated products?

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Only a minority of the U.S. mainland companies that produce or market Hawai'i-associated named brands purchase ingredients from Hawai'i. Of the responded U.S mainland firms, nine of them purchased local products as their ingredients while 15 of them did not use local products as ingredients. Restaurants and food and manufacturing/food processing were the top industries purchasing ingredients from local businesses ("valid percent" is calculated based on the total number of respondents that provided an answer to the question and does not include those that refused to answer).

	Number of Companies	Percent	Valid Percent
Yes	9	18	38
No	15	30	63
Companies with Hawai'i-associated names products	24	48	100
Companies with NO Hawai'i-associated names products (Excluded from analysis)	26	52	
Total Companies	50	100	

Question: Do you acquire or purchase ingredients, components or items from Hawaii-based vendors for your products?

Please see the list of ingredients that the nine U.S. mainland companies purchase from Hawai'i based companies in Appendix 6.

A majority of the U.S. mainland companies that purchase ingredients from Hawai'i-based vendors purchased \$500,000 or less of these ingredients in 2019. The median value of purchases by these mainland companies is \$333,333.

	Frequency	Percent
Under \$500,000	6	12
\$1 million to \$2 million	1	2
\$2 million or more	1	2
Don't know / Refused	1	2
Total	9	18

Question: Approximately what was the value of your purchases from Hawai'i-based vendors in 2019?

The names of the Hawai'i-based companies where U.S. mainland companies purchase their ingredients are listed in Appendix 7.

Please see Appendix 8 as to why U.S. mainland companies do not purchase their ingredients from Hawai'i-based companies.

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i

There is no strong consensus of the positive impact that producing or marketing Hawai'i-associated named products have on U.S. mainland companies. Of the 24 U.S. mainland firms with Hawai'i-associated named products, 13 of them indicated (agree or strongly agree) that using Hawai'i-associated names for their products was important to the success of their products, 17 of them said the Hawai'i-associated names made their products unique in the market place, 9 of them believed that the Hawai'i names helped them position their products as high quality, and 7 agreed that the names provided them opportunities to price their products at a premium level.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Don't know	Total
	Number of companies	Number of companies	Number of companies	Number of companies	Number of companies	Number of companies	Number of companies
Is important to the success of our products	2	3	5	5	8	1	24
Provides an opportunity to price products at a premium level	4	5	7	3	4	1	24
Helps position our products as high quality	1	2	11	4	5	1	24
Makes our products unique in the marketplace	1	0	6	8	9	0	24

STATE BEST PRACTICES

Objectives

Act 258 of Session Laws of Hawai'i 2019 required that this research project includes a best practices analysis. To accomplish this task case studies of other states were conducted that assess methods and practices used to reduce false place of origin marketing by companies without material ties to their respective states. This research explores laws, practices, court cases, campaigns, and other strategies used to combat external competition, misrepresentation, and fraud across the country.

Identifying the most effective laws, regulations, and strategies in practice elsewhere should help Hawai'i make informed decisions on how to best handle these challenges.

Methodology

This comprehensive comparative assessment includes research on three different states of varying sizes and budget and similar challenges within the industry. The locations were selected after an initial research review based on the availability of information around policies, legislation, and litigation.

Case Study State Selection

California was selected because the state has a well-developed statewide place-based marketing campaign, known as "California Grown." This group includes more than 50 agricultural product boards and commissions, and significant experience protecting regional wines.

Idaho was selected for its long history of promoting and protecting the well-known "Grown in Idaho" seal found on every Idaho potato sold. The Idaho Potato Commission (IPC), established in 1937 by the Idaho State Legislature, is responsible for the protection, promotion, study, research, analysis, and development of markets related to the growing and promotion of Idaho potato products and byproducts. This case study provides an in-depth analysis of the structure and framework of a successful place-based product campaign.

Wisconsin was selected for their recent efforts to curtail fraud within the ginseng industry. The state has faced challenges with poor quality alternatives grown in China being marketed and sold as Wisconsin ginseng. The Ginseng Board of Wisconsin (GBW), established in 1986 represents more than 185 ginseng growers in the state. This case will be an opportunity to explore strategies used to protect products in new or expanding markets, as well as international competition.

Stakeholder Interviews

After the initial case study selection was made, SMS compiled a list of potential contacts for outreach and interviews. SMS worked in partnership with the State of Hawai'i Department of Business, Economic Development and Tourism and the State of Hawai'i Department of

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i

Agriculture to develop an 11-question interview guide. A significant portion of the data gathered for this study relied on these interviews with government, business, and community stakeholders.

Outreach calls and e-mails began in late December 2019 and interviews continued through early-March 2020. An official request for assistance was sent to the Attorney Generals of each selected state on December 23, 2019. Of the Attorney General's offices in each state, a successful interview was completed with Idaho, a letter of response was received from California, and Wisconsin declined. There was an effort to contact the Department of Agriculture, and related offices, of all selected states as well. Successful interviews were completed with the Department of Agriculture in California and Wisconsin, Idaho declined. Additional business and community stakeholders included farm bureaus, product commissions, and growers' associations.

The below table summarizes the extent and success of outreach efforts in selected states.

Stakeholder Summary Table

State	Contacted	Complete
California	9	5
Idaho	6	3
Wisconsin	6	3
Overall	21	11

General Research

General research was completed by reviewing state, federal, and international laws and regulations in selected states. Consumer protection, trade and trademark laws, as well as regulatory frameworks for product commissions and local food campaigns were of focus. Litigation information was gathered from discussion during interviews with stakeholders as well as web searches for court cases related to areas of focus. Feedback from interviews helped inform the research and guide areas of additional inquiry.

Regulations Related to Geographical Designations

Place-based marketing and geographical indications are strategies that are becoming extremely popular in the agriculture industry. They are tied to tourism efforts, growing local sourcing and sustainability concerns, as well as being distinct indicators of product quality. As the economy continues to grow internationally an increasing number of governments, organizations, and businesses are recognizing the value of these regional markers.¹ There are a significant number of agreements, regulations and agencies involved in the approval and regulation of these policies, programs, and indicators.

¹ U.S. Patent and Trade Office, Trademark Policy, Geographic Indications.

International Agreements

Trade-Related Aspects of Intellectual Property Rights Agreement

The Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPS), is the international agreement between all World Trade Organization (WTO) member nations that regulates, among other trade related issues, the use of trademarks, and geographical indications globally.²

The agreement states that trademarking using a geographic indication in a way that “misleads the public as to the true place of origin” may be refused or invalidated (Article 22.3). Although there was no evidence found that this has ever been used in a legal challenge to deny or overturn a trademark.

The WTO recognizes that “a product’s quality, reputation or other characteristics can be determined by where it comes from” and establishes that “geographical indications are place names (in some countries also words associated with a place) used to identify products that come from these places and have these characteristics.” The TRIPS agreement enforces two levels of protection; one for all products protecting geographic locations to avoid misleading the public (Article 22); and one for geographical indications of wine and spirits, which receive a higher level of protection, enforced even if the public has not been misled (Article 23). The agreement includes some exceptions for terms that have become generic, but this applies to products whose geographic origin is also used as a generic term for describing the product, such as Swiss Cheese (Article 24).

There has been extensive debate within the WTO on whether to extend the higher-level protections to products beyond wine and spirits.³ It is a very contentious issue and has not yet been resolved.

Convention on International Trade in Endangered Species of Wild Fauna and Flora Treaty

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) Treaty came into effect in 1975 after global concern over unregulated international trade in threatened species.⁴ This treaty is relevant to many countries and states that deal with any at risk plant or animal species, including products like ginseng, coral, and some species of orchids. While these regulations more closely deal with regulating trade in wild species, they also affect cultivated operations as well.

This program monitors trade through a permit system administered by each respective country’s management and scientific authority. This permit systems allows for the strict tracking of origin, export and import of all related products.

² World Trade Organization Website, TRIPS Agreement and Overview

³ World Trade Organization Website, TRIPS Geographical Indications, Background and Current Situation

⁴ U.S. Fish and Wildlife Service, Convention on International Trade in Endangered Species of Wild Fauna and Flora

Federal Regulations

Lanham Act

The Lanham Act is the primary federal statute relating to trademark law and related business practices. This includes the regulation of trade, service, collective, and certification marks. As a general differentiation, trademarks are for use on a product, service marks are used for service providers, collective marks are used for groups or organizations often to indicate membership, and certification marks are intended to certify that a product meets a certain level of quality or standards and are often used to indicate regional origin. These marks are grants and regulated by the U.S. Patent and Trademark Office (USPTO).

The Lanham Act also includes a section on false designations of origin.⁵ Asserting that anyone using any word, term, name, symbol, or device, including any false designation of origin, which is likely to cause confusion or mistake as to the origin of the goods or services can be pursued in civil action.

The Lanham Act is referenced regularly in court cases related to trademark infringement and false place of origin marketing and can be considered the outline federal regulation on the matter. Many states have similar state level legislation often included in their business codes or consumer protection laws.

Federal Trade Commission Act

Originally enacted in 1914, the Federal Trade Commission (FTC) Act was created to prohibit unfair business practices. This legislation includes extensive truth in advertising laws and unfair or deceptive business practices. These laws are enforced by the FTC. They look most closely at advertising claims that affect consumers' health or pocketbooks, with the intention of defending consumers from being misled. Claims about food, drugs, alcohol, and tobacco are the most common pursuits of the FTC.⁶

In 1966, the Universal Deceptive Trade Practices Act (UDTPA) was adopted, which intended to bring state laws up to date and promote national consistency in standards. UDTPA was only adopted in its entirety in some states; however, it has significantly affected all state laws on this topic. The UDTPA covers prohibited acts and practices including "deceptive representations or designations of geographic origin in connection with goods or services."⁷

United States Code and the Code of Federal Regulations

The United States Code (USC) compiles U.S. laws passed by congress and the Code of Federal Regulations (CFR) contains the codification of the general rules of various federal agencies and departments based on those laws. These rules are relevant to place of origin marketing mainly in relation to wine and spirits and the designation of products grown or processed in the United States, details listed below.

⁵ 15 U.S. Code § 1125

⁶ Federal Trade Commission, Resources, Truth in Advertising.

⁷ Revised UDTPA, National Conference of Commissioners on Uniform State Laws, 1966.

American Viticulture Areas

The regulations related to labeling and appellations (regional designations) of wine in the U.S. wine industry are known as American Viticulture Areas (AVAs).⁸ AVAs are federally designated geographic regions used to regulate origin of wines. They were originally established in 1980 and are regulated by the Tax and Trade Bureau (TTB) with codified regulations found in the Code of Federal Regulations, 27 CFR 4.25.⁹ These strict designation of origin rules allow consumers to easily and accurately identify the origin of wines for purchase. These regulations potentially offer an example of a regulatory framework that could possibly be applied to other products.

Made in USA Standards

The FTC regulates a “Made in USA” program that requires a standard of all or virtually all of the products to be produced or manufactured in the United States.¹⁰ Since there is not a blanket law for state level products, the FTC does not seem to regularly be involved in regional designation enforcement. However, many fruit products, with the only major competition outside of the U.S., use made in USA designations in lieu of or in tandem with local ones to ensure federal support on these issues (for example the many fruits grown in California whose main competition is Mexico and other parts of South/Central America).

Related Federal Grant Programs

The federal government operates multiple programs to support and fund efforts to promote local U.S. grown products. These resources can be used by many types of product collaboratives and government entities and often provide flexibility in the types of projects funded. These programs were referenced as funding tools used by case study states and organizations.

Federal-State Marketing Improvement Program

The Federal-State Marketing Improvement Program (FSMIP) offers matching grants to assist states in exploring new markets for U.S. agricultural products and includes marketing-related activities as well as research and innovation efforts. Approved applicants for these grants include state departments and agencies, including universities.

Through the FSMIP in 2019 the USDA awarded nine grants totaling more than \$1 million.

Market Access Program

The Market Access Program (MAP) is a USDA grant program providing funding to U.S. agricultural trade associations, cooperatives, state regional trade groups, and small businesses. This funding is intended to share costs for overseas advertising, public relations, demonstrations, participation in trade fairs and exhibits, market research, and technical assistance intended to expand markets abroad. There is flexibility in this program for generic marketing and promotion, and the promotion of branded products, with variable match requirements for organizations and businesses.

⁸ 27 CFR § 4.25

⁹ TTB, Alcohol and Tobacco Branch

¹⁰ 19 USC § 1304

MAP funding is a tool used by many regional product councils, associations, commissions, and boards. In 2020, the USDA issued more than \$176 billion in grant dollars to 65 different organizations.¹¹

Case Study 1

California's Wine Industry

The State of California is a dominant producer in the agriculture industry, in part due to their diverse geography. According to the USDA, California has consistently been the top agricultural producer in the country since 2000. California's agricultural industry produces more than 400 commodities and exported more than \$23 billion in agricultural products in 2018. As a pillar in the agricultural industry in California, wine has become one of the state's most well-known products.

In 2017, California produced more than 716 million gallons of wine, 81 percent of the U.S. total production.¹² Today, California is known for producing some of the best wines in the world, competing with those more traditionally known countries in Europe. Wine was one of the first agricultural products to develop such a close association with place of origin.¹³ For this reason, there are strict guidelines in place to regulate the place branding of wines in the U.S., and in particular within California.

State Programs, Laws and Regulations

California has pursued various efforts to protect state branding within the state. They operate multiple state branding programs, including "CA Made" for manufactured goods and "CA Grown" for agricultural products.

The "CA Made" program requires products to be "substantially made" within the state to bear the trademarked seal. The program is funded and run by the state government with minimal membership fees for participating manufacturers based on number of products being enrolled. Overall budget information for the program was not available. "CA Made" requires products to lawfully bear a made in USA label. This may be a strategy used to lessen the burden on state government enforcement. If the product cannot receive certification through the federal program, they certainly do not qualify for the state program.

The similar "CA Grown" program applies to agricultural products. The branding achieved through this program continues to be an asset to California's agriculture community, retailers and consumers.¹⁴ The program focuses on collective messaging, agricultural advocacy, marketing, and advertising. The use of the trademarked seal is exclusive to member organizations. California State Department of Agriculture holds the certification mark, design and words, for both programs. Membership is expansive across the state and includes

¹¹ USDA, MAP Funding Allocation FY 2020

¹² The Wine Institute, Stats and Facts 2017.

¹³ Bruwer and Johnson, Journal of Consumer Marketing, Volume 27, Number 1, 5-16, 2010.

¹⁴ CaliforniaGrown.org

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associations, boards, and individual organizations and farms. Fees are paid by members on a scale based on revenue, sales, and/or budget.

Overall funding for marketing California and California-based products is spread out over programs like the two listed above, as well as within the more than 50 boards and commissions dedicated to specific products in the state. The Wine Institute, advocates for the California wine industry in legislation, advocacy, market development, and research. Beyond membership funding, they were the recipient of more than \$6 million in MAP funding in 2020, more than 35 percent of the \$17.5 million that went to the 10 California grantees in 2020.¹⁵

The California wine industry has been the primary target of place of origin fraud. Strict regulation has helped mitigate these issues, in particular the establishment of American Viticulture Areas (AVAs) in the 1980s. This program closely mirrors the appellation of origin programs for wines throughout Europe, such as the Appellation d'Origine Contrôlée in France and the Denominazione di Origine Controllata in Italy.¹⁶ California wine country currently includes 139 different AVAs (more than half of the U.S. total), such as the well-known Napa Valley and Sonoma Valley regions.¹⁷ The AVA program in the U.S. requires at least 75 percent of the wine to be derived from fruit or products grown in the AVA on the label, as well as fully finished or blended in the region designated. The U.S. also grandfathered in state and county designations and upholds the same content and production requirements for the regional designations. California Code Regulations further strengthen the federal statutes by requiring that if the label indicates California or any geographical subdivision of the state as the place of origin, then 100 percent of the fruit used must be from California.¹⁸ Any business violating these regulations may have its license suspended by the Department of Alcoholic Beverages Control.

Beyond industry specific regulations, the California Business and Professional Code (BPC) has regulations that relate to false advertising and unfair competition: BPC sections 17500 and 17200. These regulations include “any unlawful, unfair or fraudulent” business act or practice. Labeling or marketing that misrepresents the nature or quality of a product can be considered deceptive based on either being misleading to the public or by violating industry specific labelling requirements. The Attorney General maintains the ability to enforce these statutes on behalf of the people and State of California to protect consumers and law-abiding businesses. Civil suit can also be brought by individuals and companies for injunction or damages.

Litigation

In California, litigation has been seen in the wine industry and beyond. The most common cases in the wine industry relate more to fraudulent fine wine labeling in relation to vintage status. More relevant to place of origin issues is the 2000 case challenging California's truth-in-labeling wine laws. Bronco Wine Company (BWC) alleged that the state government did not have the power to disallow a business practice that was not restricted under federal law.¹⁹ Many producers had been grandfathered in when the federal laws were passed in the 1980's and California removed this loophole. BWC had been purchasing wine in the Central Valley and processing it at their facility in Napa. These products were being marketed under their

¹⁵ USDA, MAP Funding Allocation FY 2020

¹⁶ Meloni, G., & Swinnen, J. (2013). The Political Economy of European Wine Regulations. *Journal of Wine Economics*, 8(3), 244-284.

¹⁷ Bureau of Alcohol, Tobacco and Firearms

¹⁸ Cal. Code Regs., Title 17, 17015.

¹⁹ The Press Democrat, Franzia's Bronco Wine Co., Kevin McCallum, 2006.

Napa Ridge, Rutherford Vintners, and Napa Creek Winery brands. The California Supreme Court ruled that the state had full power to pass more restrictive rules, and after an appeal the Supreme Court declined to hear the case, the ruling was made final and the loophole closed.

A recent case in California has pushed the discussion outside of the wine industry. The case, Theodore Broomfield et. al vs. Craft Brewing Alliance, Inc (CBA), challenges CBA under consumer protection unfair competition, false advertising, misrepresentation, negligence, and fraud claims.²⁰ The case is based on representations that the Kona Beers are brewed in Hawai'i when they are, in fact, brewed in New Hampshire, Colorado, and Oregon. The plaintiffs alleged that the beer is falsely labeled as a Hawai'i product "to exploit strong consumer sentiment for Hawaiian-made products" and that it uses Hawaiian "imagery, metaphors, and outright misstatements in order to cultivate this image." This class action lawsuit was settled out of court; however, CBA admitted no wrongdoing and only agreed to pay damages to those affected.

Conclusions and Next Steps

California's agricultural industry has significant support through state led marketing programs, strong product commissions, and a well-developed regulatory and branding program for the wine industry through the system of AVAs and significant federal funding through MAP grants. The state also effectively builds on and strengthens federal regulations and programs with many of their own state regulations. These more restrictive regulations have successfully protected local producers in the wine industry and held up in court.

Case Study 2

The Famous Idaho Potato

Idaho boasts a robust agriculture industry, producing more than 185 commodities from nearly 25,000 farms and ranches.²¹ In 2018, the state exported more than \$2 billion in agricultural products, farmed and harvested on more than 10 million acres of land.²² One of the most dominant and internationally known agricultural products from Idaho is the "*Grown in Idaho*" Potato. Idaho is the number one national provider of potatoes, producing 34 percent overall, and maintains a high standard and reputation for product quality. That reputation has been established and protected, primarily, by the efforts of the Idaho Potato Commission (IPC).

State Programs, Laws and Regulations

The IPC was originally established in 1937 by the Idaho State Legislature and is the state agency responsible for promoting and protecting the "Grown in Idaho" seal.²³ This seal is a federally registered trademark, certification mark and word mark, and is found on every potato grown within the state.

²⁰ KonaBeerSettlement.com

²¹ Idaho State Department of Agriculture, Facts and Statistics.

²² USDA, Economic Research Service, 2018.

²³ Idaho Potato Commission Website

After the creation of the IPC in 1937, the commission was granted with many regulatory and enforcement powers within the Idaho Code.²⁴ The commission generated their own rules to be included in the Idaho Administrative Procedures Act (IDAPA).²⁵ The Idaho Code gives the IPC full regulatory, fiscal and legal enforcement authority over the commission on behalf of the state. Through the IPC rules, the commission mandates membership to all growers, distributors, and sellers of Idaho grown potatoes. Requiring the mark to be displayed on any potato advertised as Idaho grown. The sweeping membership and engagement requirements not only build consistency in product standards but allows for the IPC to more effectively track sales and identify fraudulent activity. The commission sees mandated membership as an essential piece of their policies. This also allows them to raise funds for their operating costs, with membership fees charged based on production and sales.

The IPC manages a budget of more than \$15 million, as of 2020, and is constantly working on research, marketing, networking, and enforcement. The significant investments that the state and the IPC have made have been essential to the “Idaho Potato” becoming a household name. In 2019 alone, the state invested more than \$36 million in agricultural research programs²⁶ and the IPC invested nearly \$6 million into their research efforts for 2020. Due to robust research and efforts in this area, the commission can identify DNA markers within Idaho potatoes to match them to the geography, water, and soil of the state. This science has helped identify and enforce issues that may arise in “counterfeit” potatoes being sold as Idaho grown.

More than \$3 million of the IPC budget in 2020 was earmarked for advertising purposes. The IPC has consistently advertised the Idaho Potato domestically and internationally for more than 50 years. The commission not only funds traditional advertisements on radio and television, but they also regularly sponsor events like the Famous Idaho Potato Bowl, and run various promotional campaigns in partnership with the state branding efforts. Many may be familiar with the cartoon potato named “Spuddy” who emerged in the 1980’s singing and dancing on television screens across America. He remains the mascot of the Idaho potato today. Successful campaigns like this have been key to developing a strong association between the brand image for State of Idaho and the potato.

Additional monies in the IPC budget, after staffing and field enforcement officers, are targeted towards networking efforts across the globe. The commission sees attendance at trade shows and conferences, as well as relationship building within trademarking associations, legal networks, and major distributors to be paramount in successfully executing their goals. This has allowed the IPC not only to become well versed in issues within the industry, but it has also helped create and cultivate a sense of shared benefit, across all levels of the distribution chain, in protecting product authenticity.

Litigation

The IPC has been involved in many enforcement actions since their establishment over 50 years ago. While many enforcement actions are handled outside of the courts, some are pursued within the legal system. Over the course of 13 years, the IPC spent \$13 million on lawsuits and subsequent appeals.²⁷ The most significant of cases were IPC vs. M & M Produce

²⁴ Idaho Code, Title 22, Chapter 12, Potato Commission.

²⁵ IDAPA 29.01.01, Rules of the Idaho Potato Commission.

²⁶ Idaho Executive Budget Detail, 2019 Actual

²⁷ Idaho Potato Commission

Farm & Sales, Majestic Produce Corp., Hapco Farms Inc. and G & T Terminal Packaging Co., Inc.²⁸

All three cases were focused on certification and trademark infringement under the Lanham Act. M & M Produce failed to adequately document sales and repackers using counterfeited or substantially indistinguishable marks on potatoes, failed to meet IPC quality requirements. Majestic Produce was selling potatoes in bags bearing the IPC mark, without ever having been granted an IPC license. Hapco Farms was a licensed seller and repacker with the IPC until the IPC became aware of violations related to mislabeling and repackaging of non-Idaho potatoes into container bearing IPC marks. Hapco also filed a complaint that the IPC practices violated anti-trust laws and the Idaho marks should be invalidated. Lastly, G & T filed a lawsuit against the IPC alleging that the IPC did not have legal rights to the Idaho marks. G & T, similar to Hapco, wanted to purchase potatoes, ship them out of state, and repackage them as Idaho Russet Potatoes.

The challenge to the IPC under the Sherman Anti-Trust laws was decided in the IPC favor because they were considered an arm of the state and immune to these regulations. Judgment was eventually made in favor of IPC in the infringement cases as well, awarding more than \$150,000 in damages and reimbursement costs and a portion of attorney fees. Due to strict enforcement and legal actions like these, the IPC is seen as an agency willing to invest the time and money to follow through on issues of fraud regarding their trademarks and certifications.

Conclusions and Next Steps

With strong marketing, research, regulations, and enforcement Idaho does not face many challenges regarding product place of origin currently. The example of Idaho demonstrates the benefits of investment to effectively enforce place of origin programs, with significant budgetary and legal costs documented. Granting strong legal and regulatory powers to product commissions also seems to be an effective tool. The next steps being considered include building federal legislation that would allow state place names to become property of the state. This would further allow states priority to protect terms associated with their state.

Case Study 3

Real Wisconsin Ginseng

Wisconsin agriculture industry is most well-known for its dairy products, but that only accounts for about 25 percent of its agriculture exports.²⁹ Wisconsin is ranked 13th in the nation for the value of its agricultural exports, with nearly 65,000 farms on 14.3 million acres of farmland.³⁰ The state is the nations' top producer in products like cranberries and sweet corn, as well as being the leading producer of some of the world's highest quality ginseng roots.

Ginseng can only be cultivated in a certain environment, so its production is limited mainly to South Korea, China, Canada, and the U.S., where 99 percent of the roughly 80,000 tons is produced. A majority of this is grown in China, while only about 1,000 tons is grown in the

²⁸ Justia US Law, Case Law Records

²⁹ USDA, Economic Research Service, 2018.

³⁰ Wisconsin Department of Agriculture, Trade and Consumer Protection, WI Agriculture Statistics, 2020.

U.S.³¹ Ginseng is consumed as food, but it is used in many dietary supplements and teas and is particularly prevalent in Chinese medicine. Due to its medicinal uses, quality product is of especially high value. American ginseng has different properties than ginseng grown in Asia. U.S. ginseng is generally a body coolant versus a stimulant and is significantly more valuable due to its limited production.³² In Wisconsin, ginseng is protected and regulated by state statute as well as the Ginseng Board of Wisconsin (GBW).

State Programs, Laws, and Regulations

Ginseng, and other popular state products, have regulatory frameworks laid out in the Wisconsin State Statutes, Chapter 94, Plant Industry. For ginseng, this specifically outlines registration requirements for all growers and dealers, as well as import documentation requirements for all ginseng from out-of-state that is brought in, requiring a certificate of origin for all ginseng products.³³

The GBW represents ginseng growers in Wisconsin and supports the advertising, promotion, and sale of Wisconsin ginseng. The board receives funding from membership based on gross production and sales and also receives more than \$400,000 annually in federal funding through the MAP program for support in marketing and promotional operations.³⁴ The board holds a registered certification mark for use by all growers and distributors of Wisconsin ginseng. This mark is trademarked in whole, as the certification mark shown. The words are not trademarked, and Chinese lettering is not included in the registered mark either. This is relevant because most of the fraud in this industry is within the Asian market, including street markets in larger cities in the U.S. and within China itself.

Due to the certification mark framework, packaged ginseng is not consistently an issue. In these instances, identifying where the ginseng originates is more straightforward, as these are usually larger companies. However, the GBW is still experiencing significant challenges with enforcement relative to international companies, due to complicated business structures abroad and a limited international regulatory framework. A more significant issue in the industry lies in the bulk ginseng market, where ginseng is distributed to be sold from a basket in street markets.

The GBW actively investigates, tests and pursues cases related to unverified sellers marketing their product as Wisconsin ginseng. Due to limited funding, board members mainly investigate issues, in addition to a few inspector positions at the Wisconsin Department of Agriculture (WDOA). Since all Wisconsin growers and distributors are registered with the WDOA and are members of the GBW, the GBW can verify if they can be marketing the product as Wisconsin ginseng. The GBW is aware of all the legal dealers of the product. The challenge often encountered is that, when questioned, sellers claim they were unaware and remove signage, or argue they were lied to by sellers. Identifying where in the chain of distribution the fraud originated is nearly impossible. The GBW has reached out and works with the USDA, FDA and Border Control to try and mitigate these issues but has had limited success with this type of enforcement. On the international level, the trade in ginseng is also monitored by the CITES agreement. The CITES agreement though is focused on wild ginseng trade, so even with this enhanced layer of regulation challenges continue.

³¹ Baeg IH, So SH. The world ginseng market and the ginseng (Korea). J Ginseng Res. 2013.

³² Ginseng Board of Wisconsin, About Wisconsin Ginseng, 2020.

³³ Wisconsin State Statutes, Chapter 94.50(3).

³⁴ USDA, MAP Funding Allocations, 2018-2020.

The WDOA also operates a state origin program called “Something Special from Wisconsin.” To gain membership to this program the product being sold must be 50 percent produced from Wisconsin products or 100 percent manufactured within Wisconsin.³⁵ This program does not require membership, but entices membership with benefits like networking and promotional support, with a strong social media presence and member pages on their website to help guide consumers to local producers. The program runs on a limited budget, just over \$40,000 annually from the state and membership fees for more than 500 members. Funding is mainly used for public radio marketing and to support networking opportunities. The state has not pursued any significant enforcement activities associated with this program other than instances of unqualified products that were addressed easily and removed from the program or brought up to compliance.

The state maintains their own consumer protection and false advertising laws and has not adopted the UDTPA. The Wisconsin Consumer Protection Act³⁶ does not have any specific mention of place of origin representations but does address misrepresentation as a general subject. Additional statutes of relevance here can be found in the Marketing and Trade practices statutes.³⁷ It is considered unfair conduct for a produce wholesaler to receive produce from another state or country and to resell giving the buyer “the impression that the commodity is of Wisconsin origin.”³⁸ However, the majority of actions taken on these issue within the ginseng market refer to the Lanham Act, federal trademark law.

Litigation

The GBW has most pursued cases involving misuse of their certification mark, often by companies not registered to use said mark. In 2009, GBW sued Triple Leaf Tea (TLT), a large producer of teas that was using their mark or something similar and easily mistakable illegally.³⁹ Similar cases occurred against Simon Ko, KUB Corporation, American Ginseng Association and Herba Enterprises. All cases were settled out of court on agreement not to use the mark, or any mark bearing resemblance, on their products in the future unless legally approved to do so.

While litigation over trademark law has been successful at removing false certification marks from products, there has been little success pursuing litigation against international companies or bulk market distributors for false marketing.

Next Steps and Challenges

The strong registration and regulatory framework within the state helps effectively track and identify when and where fraud is occurring. The state maintains a strong product board, with statewide membership, but limited funding and resources make aggressive action challenging. Wisconsin is continuing to pursue enhanced partnership with national agencies to address issues in the ginseng market, particularly regarding fraudulent foreign ginseng being marketed as a Wisconsin product. The state would likely be amicable to partnering on additional legislation to strengthen place of origin laws nationally and internationally.

³⁵ Wisconsin Department of Agriculture.

³⁶ Wisconsin Statute Chapters 421 to 427.

³⁷ Wisconsin Statute Chapter 100

³⁸ Wisconsin Statute 100.01(2)(g).

³⁹ Justia, Dockets & Filings.

Conclusions

- ❖ The formulation of strong state backed regulatory product boards and commissions greatly enhances industries' ability to protect its place of origin brand. The most successful groups mandate enrollment by all producers, distributors, and sellers while engaging in advocacy, enforcement, marketing, networking, legal issues, and research.
- ❖ States that have worked in partnership with industry groups to enact strict regulatory frameworks have seen more success in protecting regional brands within those industries. Building on existing federal origin programs can strengthen program support and reduce administrative challenges.
- ❖ Multi-sourced funding is often necessary to successfully execute origin programs and demonstrate enforcement intent, especially at program onset. Options for federal funding support is available for many purposes through MAP and FSMIP, but additional funding from state and membership sources is often required.

APPENDIX

Appendix 1a: Telephone Script

Company Name:	_____
Contact Name:	_____
Phone Number:	_____
Interviewer Name:	_____
Date:	_____
Time:	_____

FOLLOW-UP CALLS SCRIPT

Hello. May I speak to _____. I am calling from SMS Research in Honolulu on behalf of the Hawai'i Department of Business, Economic Development & Tourism. We just wanted to follow up on the survey we mailed to you in the past week.

- Do you recall receiving the survey?
Yes..... ☐
No (*GO TO QUESTION 6*) ☐
- Have you completed and returned the survey?
Yes (*THANK AND TERMINATE*)..... ☐
No ☐
Not yet ☐
- Are you planning to complete and return the survey or can we provide additional information?
Plan to finish and mail back (*THANK AND TERMINATE*)... ☐
Need more information ☐
- What additional information would be helpful to your completing the survey?

- May I confirm your e-mail address and we will forward a response to your query?
Yes..... ☐ E-mail Address: _____
No (*THANK AND TERMINATE*)..... ☐
- May we send you the survey again, or should it be directed to someone else in the company?
Send to respondent again ☐
Send to someone else in company or confirm address: ☐ Name: _____
Title: _____
E-mail Address: _____
Phone Number: _____

If asked the subject matter of the survey: The State of Hawai'i is conducting a study to assess the impacts of companies selling products in the U.S. using Hawai'i place-based marketing names.

Follow-up Calls Script
© SMS

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Appendix 1b: Survey Instruments

Hawai'i-Based Firms Confidential Letter/Survey



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

Telephone: (808) 586-2355
Fax: (808) 586-2377

DAVID Y. IGE
GOVERNOR

MIKE MCCARTNEY
DIRECTOR

RANDALL TANAKA
DEPUTY DIRECTOR

Aloha,

The Hawai'i State Legislature has enacted Act 258, SLH 2019, which mandates the Department of Business, Economic Development & Tourism (DBEDT) in consultant with the Department of Agriculture, to conduct a study to assess the impacts of companies selling products in the U.S. using place-based marketing without any material ties to the State of Hawai'i. This requires insights from Hawai'i-based farmers, food manufacturers, retailers, and distributors. Your company is a valuable member of this community and your participation is greatly appreciated.

Please complete the attached survey that will remain strictly **CONFIDENTIAL**. DBEDT has retained SMS Research & Marketing Services, Inc. (SMS) as a third-party organization to gather the information. Only aggregated data will be reported to the Legislature. You will be able to review the report once it is presented to the Legislature.

If you feel someone else in your organization can better answer these survey questions, please feel free to direct it to that person.

After completing the survey, please return it in the pre-paid enclosed envelope. If you have any questions or concerns, please contact Mr. Hersh Singer, Chairman of SMS at 808-440-0700 or hsinger@smshawaii.com or Dr. Joseph Roos, Economic Research Program Manager of DBEDT at 808-586-2475 or joseph.a.roos@hawaii.gov.

Please accept our sincere thanks for your help in this important matter.

Sincerely,

Eugene Tian, Ph.D.
Economic Research Administrator

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CONFIDENTIAL BUSINESS SURVEY



Thank you in advance for completing this survey. All responses provided will remain confidential. Only aggregated data will be reported to the State of Hawai'i by SMS Research & Marketing Services, Inc.

Q1. Please select your company's primary industry. (SELECT ONLY ONE)

- Food Service/Restaurants ☐
Farming ☐
Grocery/Supermarkets ☐
Manufacturing/Food Processing ☐
Manufacturing (Other) (Specify): ☐
Wholesale Trade ☐
Other (Specify): ☐
Refused ☐

Q1A. If your company participates in other industry(ies), please list these secondary industries below.

.....
.....

Q2. What is the estimated annual revenue of your company in 2019?

- <\$10,000 ☐
\$10,000 to \$49,999 ☐
\$50,000 to \$99,999 ☐
\$100,000 to \$249,999 ☐
\$250,000 to \$499,999 ☐
\$500,000 to \$999,999 ☐
\$1,000,000 or more ☐
Don't know ☐
Refused ☐

Q3. How many full-time equivalent employees work at your company in 2019?

- 0 ☐
1-4 ☐
5-9 ☐
10-19 ☐
20-49 ☐
50-99 ☐
100-249 ☐
250-499 ☐
500+ ☐
Don't know ☐
Refused ☐

Q4. Does your company have more than one location?

- Yes ☐
No (**GO TO QUESTION 6**) ☐

Q5. Please provide a listing of the locations.

List of Company Locations	Check if Manufacturing Location
1.	<input type="radio"/>
2.	<input type="radio"/>
3.	<input type="radio"/>
4.	<input type="radio"/>
5.	<input type="radio"/>

Q6. Where are the customers of your company? (CHECK ALL THAT APPLY)

- Locally (**HAWAII STATE**) ☐
Nationally ☐
Internationally ☐

Q7. Does your company manufacture or distribute brands or products with Hawai'i-associated names such as Hawai'i, Aloha, Maui, etc.?

- Yes ☐
No (**GO TO Q19**) ☐

Q8. (IF ANSWERED "YES" TO QUESTION 7 ABOVE) Please list the names of the products/brands that your company manufactures or distributes that have Hawai'i-associated names.

List of Names of Products/Brands
1.
2.
3.
4.
5.

Q9. What percent of your annual revenue is represented by these products?

____|____|____| %

Q10. What percent of your employees work directly on the Hawai'i-based products?

____|____|____| %

Q11. Do you acquire or purchase ingredients, components or items from Hawai'i-based vendors for your products?

- Yes ☐
No (**GO TO QUESTION 15**) ☐

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Q12. What ingredients, components or items do you acquire or purchase from Hawai'i-based vendors as ingredients of your products? (PLEASE SPECIFY A LIST)

List of Ingredients, Components or Items
1.
2.
3.
4.
5.

Q13. Can you provide the names of the vendors you use in Hawai'i?

List of Vendors Names
1.
2.
3.
4.
5.

Q14. Approximately what is the value of your purchases from Hawai'i-based vendors in 2019?

- Under \$50,000 ☐
- \$50,000 to \$100,000 ☐
- \$100,000 to \$500,000 ☐
- \$500,000 plus ☐
- Don't know ☐
- Refused ☐

(SKIP TO QUESTION 16)

Q15. (IF ANSWERED "NO" TO QUESTION 11 ABOVE) Can you please specify why you do not buy any products from Hawai'i-based vendors?

Q16. On a scale of 1 to 5, overall, how strongly do you agree or disagree with the following (1 BEING STRONGLY DISAGREE AND 5 BEING STRONGLY AGREE)?

The association of our products to Hawai'i-related names...	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Don't Know	Refused
	1	2	3	4	5		
Is important to the success of our products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provides an opportunity to price products at a premium level.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Helps position our products as high quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Makes our products unique in the marketplace	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q17. Has your company's annual revenues been negatively impacted by companies, without material ties to the state, using Hawai'i-related marketing?

- Yes ☐
- No **(SKIP TO QUESTION 19)** ☐
- Don't know ☐
- Refused ☐

Q18. (FOR RESPONDENTS THAT ANSWERED "YES" TO QUESTION 17) What was your estimated annual loss in 2019 from companies, without material ties to the state, using Hawai'i-related marketing?

\$ | | | | | | | | | | | | | | | |

Q19. Are you aware of any companies (in Hawai'i or U.S. mainland) selling similar products as yours but have no ties with Hawai'i or do you have any comments or suggestions on the subject?

Thank you!

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i

Mainland-Based Firms Confidential Letter/Survey



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

DAVID Y. IGE
GOVERNOR

MIKE MCCARTNEY
DIRECTOR

RANDALL TANAKA
DEPUTY DIRECTOR

Telephone: (808) 586-2355
Fax: (808) 586-2377

Aloha,

The Hawai'i State Legislature has enacted Act 258, SLH 2019, which mandates the Department of Business, Economic Development & Tourism (DBEDT) in consultant with the Department of Agriculture, to conduct a study to assess the impacts of companies selling products in the U.S. using Hawai'i place-based marketing without any material ties to the State of Hawai'i. This requires insights from companies outside of Hawai'i and your organization has been selected randomly from a large number of U.S. mainland companies.

Please complete the attached survey that will remain strictly **CONFIDENTIAL**. DBEDT has retained SMS Research & Marketing Services, Inc. (SMS) as a third-party organization to gather the information. Only aggregated data will be reported to the Legislature. You will be able to review the report once it is presented to the Hawai'i State Legislature.

If you feel someone else in your organization can better answer these survey questions, please feel free to direct it to that person.

After completing the survey, please return it in the pre-paid enclosed envelope. If you have any questions or concerns, please contact Mr. Hersh Singer, Chairman of SMS at 808-440-0700 or hsinger@smshawaii.com or Dr. Joseph Roos, Economic Research Program Manager of DBEDT at 808-586-2475 or joseph.a.roos@hawaii.gov.

Please accept our sincere thanks for your help in this important matter.

Sincerely,

Eugene Tian, Ph.D.
State Economist

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i



CONFIDENTIAL BUSINESS SURVEY



Thank you in advance for completing this survey. All responses provided will remain confidential. Only aggregated data will be reported to the State of Hawai'i by SMS Research & Marketing Services, Inc.

Q1. Please select your company's primary industry. (SELECT ONLY ONE)

- Food Service/Restaurants ☐
Farming ☐
Grocery/Supermarkets ☐
Manufacturing/Food Processing ☐
Manufacturing (Other) (Specify): ☐
Wholesale Trade ☐
Retail Trade ☐
Other (Specify): ☐
Refused ☐

Q1A. If your company participates in other industry(ies), please list these secondary industries below.

Q2. What is the estimated annual revenue of your company in 2019?

- <\$100,000 ☐
\$100,000 - \$249,999 ☐
\$250,000 - \$499,999 ☐
\$500,000 - \$999,999 ☐
\$1,000,000 - \$2,499,999 ☐
\$2,500,000 - \$4,999,999 ☐
\$5,000,000 - \$9,999,999 ☐
\$10,000,000 - \$24,999,999 ☐
\$25,000,000 - \$49,999,999 ☐
\$50,000,000 - \$99,999,999 ☐
\$100,000,000 - \$249,999,999 ☐
\$250,000,000 - \$499,999,999 ☐
\$500,000,000+ ☐
Don't know ☐
Refused ☐

Q3. How many full-time equivalent employees work at your company in 2019?

- Under 100 ☐
100-499 ☐
500-749 ☐
750-999 ☐
1,000-1,499 ☐
1,500-1,999 ☐
2,000-2,499 ☐
2,500-4,999 ☐
5,000+ ☐
Don't know ☐
Refused ☐

Q4. Does your company operate from multiple locations?

- Yes ☐
No (**GO TO QUESTION 6**) ☐

Q5. Can you provide a listing of the locations?

List of Company Locations	Check if it is a Manufacturing Location
1.	<input type="radio"/>
2.	<input type="radio"/>
3.	<input type="radio"/>
4.	<input type="radio"/>
5.	<input type="radio"/>

Q6. Where does your company service clients... (CHECK ALL THAT APPLY)

- Locally (**STATE OR COUNTY**) ☐
Nationally ☐
Internationally ☐

Q7. Does your company manufacture or distribute brands or products with Hawai'i-associated names such as Hawai'i, Aloha, Maui, etc.?

- Yes ☐
No (**GO TO END OF SURVEY**) ☐

Q8. (IF ANSWERED "YES" TO QUESTION 7 ABOVE) Please list the names of the products/brands that your company manufactures or distributes that have Hawai'i-associated names.

List of Names of Products/Brands
1.
2.
3.
4.
5.

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i

Q9. What percent of your annual revenue is represented by these products?

____|____|____| %

Q10. What percent of your employees work directly on the Hawai'i-based products?

____|____|____| %

Q11. Do you acquire or purchase ingredients, components or items from Hawai'i-based vendors for your products?

Yes ☐

No (**GO TO QUESTION 13**) ☐

Q12. (IF ANSWERED "YES" TO QUESTION 11 ABOVE) What ingredients, components or items do you acquire or purchase from Hawai'i-based vendors? (PLEASE SPECIFY A LIST)

List of Ingredients, Components or Items	
1.	
2.	
3.	
4.	
5.	

Q13. (IF ANSWERED "NO" TO QUESTION 11 ABOVE) Can you please specify why you do not buy any products from Hawai'i-based vendors?

Q14. Can you provide the names of the vendors you use in Hawai'i?

List of Vendors Names	
1.	
2.	
3.	
4.	
5.	

Q15. Approximately what is the value of your purchases from Hawai'i-based vendors in 2019?

Under \$500,000 ☐

\$500,000 to \$1,000,000 ☐

\$1 million to \$2 million ☐

\$2 million plus ☐

Don't know ☐

Refused ☐

Q16. On a scale of 1 to 5, overall, how strongly do you agree or disagree with the following (1 BEING STRONGLY DISAGREE AND 5 BEING STRONGLY AGREE)?

The association of our products to Hawai'i-related names...	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Don't Know	Refused
	1	2	3	4	5		
Is important to the success of our products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provides an opportunity to price products at a premium level	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Helps position our products as high quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Makes our products unique in the marketplace	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Thank you for your help. Please return the survey in the provided return envelope.

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i

Appendix 2: List of Hawai'i-associated Names of the products/brands marketed by Hawai'i-based companies, manufactures or distributes

Question: Please list the names of the products/brands that your company manufactures or distributes that have Hawai'i-associated names.

- 100% Hawaiian Coffee
- 100% Hawaiian macadamia nuts
- 100% Kona Coffee (11)
- 100% Maui Coffee (4)
- 100% Waialua Coffee
- 442 Go for broke ale
- Aikane Kona Coffee
- Aikane Plantation Coffee co.
- Alchemy Maui
- Ali'i Kula Lavender Bar
- All 10 retail products say
- Aloha Aina Beef Franks
- Aloha Alaska Farms
- Aloha Blends
- Aloha Bread
- Aloha Dressing
- Aloha Maid Drinks (2)
- Aloha Natto
- Aloha Peanut Butter
- Aloha Salad Dressings
- Aloha Shoyu
- Aloha Steakhouse
- Aloha Table
- Aloha Tofu (2)
- Aloha Wai
- Aloha Wai Water
- AlohaMac
- Auntie Lilikoi Passion Fruit Products
- Big City Diner
- Big Island Noni - Label Name for Noni products (Finish)
- Big Island Orange (Aloha Maid Juice Flavor)
- Blue Hawai'i
- Bottle Koozies with Lulu's logo
- Bubba Baba Blue Ginger blended
- Coffee
- Crema de Kona
- da Hawaiian Store 100% Maui Coffee
- Daily Fix 100% Kona Coffee
- DBA, Aloha Poke Shop
- Domain Kona coffee
- Farm Link Hawai'i
- Flavors of Hawai'i
- For J's Hawai'i
- Fresh Hawai'i Heart of Palm
- Fresh Moloka'i Ogo
- Fresh Moloka'i Shrimp
- Grown With Aloha
- Haleakalā Tea
- Haloa 'Āina
- Hāmākua
- Harvest Hawai'i
- Hats
- Hawai'i Harvest Honey - products
- Hawai'i
- Hawai'i Apple Bananas
- Hawai'i Coffee Company
- Hawai'i Deep Sea
- Hawai'i Fruit Paste
- Hawai'i Island Green Bean
- Hawai'i Island Honey (2)
- Hawai'i Sandalwood
- Hawai'i Sharwil Avocados
- Hawai'i Ulu Cooperative (2)
- Hawai'i Volcanic
- Hawai'i's Famous Huli-Huli Sauce
- Hawai'i's Hearth Breads
- Hawai'i's Local Buzz
- Hawaiian Agricole Rum
- Hawaiian Chip Company
- Hawaiian Dark Chocolate
- Hawaiian Fire Sauce
- Hawaiian Frost
- Hawaiian Fruit Specialties
- Hawaiian Heart of Palm
- Hawaiian Host
- Hawaiian Hula Dressings
- Hawaiian Hummus
- Hawaiian Hurricane Popcorn
- Hawaiian Islands Tea Company
- Hawaiian Isle Water
- Hawaiian Isles Coffee
- Hawaiian Jerky Chips
- Hawaiian Kanpachi
- Hawaiian Macadamias
- Hawaiian Milk Chocolate
- Hawaiian Mulberry
- Hawaiian Natural Tea
- Hawaiian Organic Turmeric

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i

- Hawaiian Paradise Coffee
- Hawaiian Rainbow Bees (2)
- Hawaiian Sea Salt Chocolate
- Hawaiian SPF shrimp
- Hawaiian Springs
- Hawaiian Style Flavahz
- Hawaiian Sun (2)
- Hawaiian Tiki Drinks
- Hawaiian Toffee
- Hawaiian Turmeric
- Hawaiian Vanilla beans
- Hawaiian Volcano Sea Salt
- Hawaiian Winners
- Heavenly Hawaiian
- Hilo Coffee
- Holualoa
- Holualoa Kona Coffee Co.
- Honey Girl Organics
- Honolulu Beerworks on all beers
- Honolulu Chip Company
- Hula Bee Honey
- Hula O Maui Pineapple Wine
- Hula's
- Huli Sauce
- Island Princess
- ItsKOna brand products
- Ka'u Coffee (5)
- Kahuku
- Kaimana Ahi Jerky
- Kapalua Fruit Farm
- Kaua'i Coffee
- Kaua'i Compost
- Kaua'i Kookie
- Kaua'i Kunana Dairy
- Kaua'i Pie
- Kaua'i Salad Dressing
- Kaua'i Sea Farm Clams
- Kaua'i Sea Farm Oysters
- Kaua'i Sea Farm Sea Food
- Kaua'i Shrimp
- Keiki Portabella
- Kewalos Cream Ale
- Kilauea Fire
- Koa Coffee Company
- Koa's Kona Koffee
- Koloa Rum
- Kona
- Kona Amor
- Kona Bay Marine Resources
- Kona Bold
- Kona Chameleon Farm
- Kona Fruit snacks
- Kona Kaiju Coffee
- Kona Kanpachi
- Kona Ketchup
- Kona Labradors
- Kona Lei
- Kona Lisa Coffee
- Kona Longboard Beer
- Kona Old Style Coffee
- Kona Organic Coffee Farm-Wholesale
- Kona Silk
- Kona Sunset Coffee
- Konalicious
- Konaloha Farms
- Kukui Brand
- La'au Ala
- Lappert's Hawai'i
- Lehua Raspberry Dessert Wine
- Lion Coffee
- Local Produce
- Locally grown cannabis flower
- MacFarms of Hawai'i
- Made in Hawai'i (2)
- Made with Aloha
- Maika'i Kona Coffee Co.
- Makakilo Brown Ale
- Makana Wai
- Maui
- Maui Artisan Sourdough
- Maui Bees Honey
- Maui Blanc Pineapple Wine
- Maui Blend
- Maui Coffee Company Coffee
- Maui Fruit Jewels
- Maui Goat
- Maui Herb Gardens
- Maui Kombucha
- Maui Mokka
- Maui Onion Salsa
- Maui Red Rooster
- Maui Red, Maui Yellow
- Maui Splash Pineapple Wine
- Maui Supreme
- Mauka Makai
- Mauka Mustard
- Mauna Kea Tea
- Mauna Kea's Secret
- Mauna Loa
- Moana Chocolate Hawai'i (Brand)
- Molokai Broodstock
- Molokai Keawe Honey

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- Monk's Delight Kona Coffee
- North Shore Tilapia
- Ohana Soy Sauce
- Ohana Style Snack Co.
- Olokai (Hawai'i)
- Onomea Tea Company
- Paradise
- Paris Hawai'i
- Pele Plantations
- Pele's Passion Kona Coffee
- Pia Mahi'Ai Saison
- Planet Aloha Hosting
- Puna
- Puna 10 Kea
- Pure Hawaiian Honey
- Puree by Maui Fruit Jewels
- Rancho Aloha Kona Coffee
- Raw Organic Lehua Honey with Hawaiian Honey
- Retail wear
- Roselani
- Royal Hawaiian Orchards
- Royal Kona Coffee
- Royal Mills Iced Coffee "Kona"
- School Kine Cookies
- Shortbread with Hawai'i Fruits
- Straws - "Lulu's Waikiki" printed
- Sunset Kona Coffee
- T Shirts with Lulu's Waikiki logo
- Tank Tops with Lulu's Waikiki Logo
- Taro Brand
- Tee shirts
- Turmeric & Ginger blended with Hawaiian honey
- TUTU Portebella
- Tutu's Anniversary
- Ulu chips
- Ulupalakua Vineyards
- Uncle Louie Sausage Co., Inc.
- Valley Ice Kombucha
- Wadape Farms
- Wai Ehu Premium Chili Water
- Wai Ehu Sauces
- Waialua
- Wailapa Farms
- Wailua River Noni Juice
- Wiki Waki Woo Cocktails
- Wiki Chef
- Wing Kona Coffee

Appendix 3: List of Ingredients that are acquired or purchased from Hawai'i-based Vendors by Hawai'i-based companies that manufacture or distribute Products with Hawai'i-associated name brands

Question: What ingredients, components or items do you acquire or purchase from Hawai'i-based vendors as ingredients of your products? (PLEASE SPECIFY A LIST)

- | | |
|--------------------------------|--------------------------|
| • Ahi | • Guava |
| • Aluminum Cans | • Herbicides |
| • Bags (7) | • Herbs |
| • Banana (2) | • Honey (11) |
| • Basil (2) | • Horses |
| • Beef (2) | • Hulling |
| • Beer | • Insecticides |
| • Beeswax (2) | • Irrigation Supplies |
| • Bone Meal | • Jalapenos |
| • Bottles | • Jam (2) |
| • Boxes (5) | • Jars (2) |
| • Bread | • Kukui Nut Oil |
| • Cacao (2) | • Labels (5) |
| • Candles | • Laser Engraved Straws |
| • Candy | • Lavender (2) |
| • Cherry | • Lemon Grass |
| • Chicken (2) | • Lemons (2) |
| • Chili Peppers (5) | • Lilikoi (2) |
| • Chocolate (2) | • Limes (3) |
| • Cilantro | • Lotion |
| • Cocktail Ingredients | • Lychees |
| • Coconuts | • Macadamia Nuts (9) |
| • Coffee (38) | • Macadamia Oil |
| • Collateral Marketing | • Magnesium Chloride |
| • Crop Enhancers | • Mamaki (2) |
| • Dairy | • Mango (2) |
| • Deep Sea Water | • Meat (2) |
| • Diesel | • Mustard Base |
| • Dill | • Noni Juice (2) |
| • Drymill Parchment | • Noni Powder |
| • Eggs (2) | • Oil (3) |
| • Equipment (3) | • Onion (2) |
| • Farm Tools (2) | • Oranges (2) |
| • Fertilizer (14) | • Oysters |
| • Finished Products for Resale | • Packaging (11) |
| • Fish | • Pallets |
| • Flour (4) | • Papaya (2) |
| • Food Ingredients | • Peat Moss |
| • Food Products | • Pectin |
| • Fresh Mint | • Pesticides (2) |
| • Fruit (2) | • Pineapple (3) |
| • Ginger (4) | • Plants |
| • Grading | • Preserving Ingredients |
| • Green Beans | • Produce (8) |

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i

- Raspberries
- Retail Items
- Roasting (4)
- Salt (8)
- Seasoning (2)
- Seeds
- Services
- Shoyu (3)
- Shrimp
- Silver Clips
- Snacks
- Soap (2)
- Sodium Alginate
- Soil
- Soil Amendments
- Soy Sauce
- Spices (2)
- Squash
- Strawberries
- Sugar (10)
- Supplies (2)
- Sweet Potato (2)
- Taro
- Tea (2)
- Tempeh
- Turmeric (4)
- Ulu (2)
- Vegetables (4)
- Vinegar
- Wine
- Yeast
- Yuzu

Appendix 4: Names of Vendors from whom Hawai'i-based companies who manufacture or distribute Hawai'i-associated named products purchase components or ingredients

Question: Can you provide the names of the vendors you use in Hawai'i?

- 4 Seasons
- 50 State Poultry
- Ace Hardware (3)
- Agtech Pacific
- Airgas
- Ali'i Kula Lavender Farm
- Aloha Bottling (3)
- Aloha Hills (4)
- Aloha Pallets
- Aloha Petroleum
- Aloha Shoyu (3)
- Aloun Farm
- Amano Prints
- American Machinery
- Angaohalin Services
- Angie's Farm Coffee
- Anheuser-Busch
- APC Hawai'i
- Armstrong Produce (2)
- Auntie Lilikoi
- Bakers Commodities Inc.
- Ball Corporation
- BEI (7)
- Big Island Honey
- Big Island Macadamia Nut Oil
- Cancino Family Farms (2)
- Captain Cook Honey Ltd.
- Castaway Kona Coffee (2)
- Chef Zone
- Cherry Blossom
- Chun Wah Kam
- City Mill
- Coffee Farm
- Coffee Vendors
- Coffees of Hawai'i
- Copy Post Plus
- Cornwell Coffee
- Costco (7)
- Counter Culture
- D. Otani Produce (5)
- Dana Labels (2)
- Dino Katayama
- Double Tees
- Eggs Hawai'i
- Eskimo Candy (2)
- Espresso Tech
- EZ Corners
- Faceplant Farms, LLC
- Farm & Garden (7)
- Farmers
- Fish Auction
- Flavor Waves
- Fresh Island Fish
- Garden Exchange
- Garden Valley Isle
- Gas Company
- GoFarm Hawai'i
- Golden Traders
- Greenwell Farms (5)
- H&W Food Service
- Hala Coffee
- Haleakala
- Haliimaile Pineapple Company
- Ham Produce (2)
- Hamakua Coffee Co. (2)
- Hamakua Macadamia
- Hansen (3)
- Hardrock Gardens
- Harvest Farm
- Hawai'i Chemical and Science
- Hawai'i Clean Seed LLC
- Hawai'i Harvest Honey, LLC
- Hawai'i Island Honey Co. (2)
- Hawai'i Kai Corp
- Hawai'i Meat, LLC
- Hawai'i Organic Ginger
- Hawai'i Paper Products
- Hawai'i Product Resources
- Hawai'iAgro
- Hawaiian Airlines
- Hawaiian Host
- Hawaiian Queen Coffee (2)
- Hawaiian Rainbow Bees
- Hawaiian Shellfish
- Helco
- HFM (3)
- Higa Food Service
- Hilo Products
- HKCC, LCC
- Holualoa Kona Coffee Company (4)

The Estimated Economic Impact of Hawai'i Place-Based Marketing by Firms without Material Ties to the State of Hawai'i

- Home Depot (3)
- Hon Blue
- Honaunau Produce
- Honoka'a Country Market
- Hua Momona Farms
- Island Marketing
- Ito Farms
- Japan Foods
- Jon Ashan
- Kahumana Farm (2)
- Kailua Town Coffee Roasters
- Kaiwi Farm
- Kau Coffee Farmers
- Kau Coffee Mill (2)
- Kaua'i Coffee (2)
- Kaua'i Island Honey Co.
- KCC
- Kilohana Honey
- King Food Service
- Kona Coffee Grounds
- Kona Farm Direct
- Kona Hills
- Kona Rain Forest
- Kona View Coffee
- KTM Services
- Kula Country Farms
- Kumu Farms
- Likao Kula Farm
- Local Farms (5)
- Lokoea Farm
- Lowes (2)
- LOX Bagel
- Lua'a Enterprises
- MACE International
- Maika'i Coffee Co., Ltd.
- Manoa Chocolate
- Mao Farms
- Matson (2)
- Maui Brewing
- Maui Cattle Company
- Maui Coffee
- Maui Gold
- Maui Grown (2)
- Maui Grown Coffee (3)
- Maui Pineapple
- Maui Tempeh
- Maui Winery
- Mauna Loa (3)
- Mera Pharmaceuticals, Inc. (2)
- Ming Wei Koh
- Miranda Farms
- Monarch Farms
- Mulvadi Corp
- Nelha
- Nutrien (2)
- Nutrient Ag solutions
- Nutrient Systems
- Olohio Orchards
- Pacific Allied (2)
- Pacific Coffee Research
- Packaging Resource (2)
- Paradise Dist.
- Paradise Meadows
- Pau Nani Honey Company
- Premium Inc
- Pure Life Palms
- Rancho Aloha Coffee
- Rengo Packaging, Inc. (4)
- Rimfire Imports
- Roberto's, Inc.
- Royal Hawaiian Orchard
- Salad Works, LLC
- Sam's Club
- Savor Brands (3)
- Shaka Forest Farms
- Shirley Watanabe Farm
- Shishido Farm
- Smith Farms
- Southern Glazers
- Southern Turf Hawai'i
- Sun Fresh (2)
- SYSCO (4)
- Taivo
- Triple F (2)
- Ulu Coop
- Univar (3)
- Unlimited Designs
- Veritev
- VIP
- Waialua Coffee
- Waianae Feed and Farm
- Waihee Valley Plantation
- Wailua River Noni Juice
- Waimanalo Vegetables
- West Side Irrigation
- Western Week
- Wood Valley Farms
- Xpress Reprographics
- Y Fukunaga
- Y. Hata (7)
- Young Brothers
- Youngs Market

Appendix 5: Names of the Hawai'i-associated name products manufactured or distributed by U.S. Mainland Companies

Question: Please list the names of the products/brands that your company manufactures or distributes that have Hawai'i-associated names.

- Ali'i Poke
- Aloha Beaches
- Aloha Gourmet (2)
- Aloha Maid
- Aloha Marshmallows
- Aloha Shoyu (3)
- Aloha soy sauce
- Beef Jerky
- Chocolate Haupia
- Haleakala Red, Papohaku White, Kilauea Black, Hanalei Green
- Hawai'i Food Products
- Hawai'i Fudge Company
- Hawai'i Kai
- Hawai'i Kona Coffee
- Hawai'i's Famous Huli Sauce
- Hawaiian Fish Bites
- Hawaiian Fish Slices
- Hawaiian Hazelnut, Mac Nut, Coconut, sunset, Chocolate
- Hawaiian Host
- Hawaiian Sea Salt
- Hawaiian Sun (5)
- Hula Pie
- Kona Brewing Company Beers
- Kona Gold Trading Co
- Kona Kulana
- Kona, Molokai
- Mahalo
- Maui Brewing Company Beers
- Maui Cookies
- Maui Marinated Chicken Breast
- Maui Marinated Pork Cutlets
- Maui Marinated Sirloin Steak
- Maui Onion
- Maui Onion, Paniolo, Palm Island
- Maui Poke
- Maui-Licious-Terilicious
- Maui's Dog House Inc.
- Meli Kalikimocha®
- Old Style Hawaiian
- Ono's Lau Lau
- Owyhee
- Pele Poke
- Pika Cucumber
- Purity Sausage
- Ramune Drink (Blue Hawai'i)
- Sweet Hawaiian Bread

**Appendix 6: List of Ingredients that the U.S. Mainland Companies who
manufacture or distribute Hawai'i-associated named products purchase
from Hawai'i-based Companies**

**Question: What ingredients, components or items do you acquire or purchase from Hawai'i-
based vendors as ingredients of your products? (PLEASE SPECIFY A LIST)**

- Coffee
- Drinks
- Fish
- Hawai'i Kona Xtra Fancy Coffee Beans
- Honey
- Kona Longboard Lager
- Iaulau
- Macadamia Nuts
- Maui Brewing Bikini Blonde
- Maui Onion
- Packaging
- Pickled vegetables
- Poi
- Portuguese Sausage
- Red Alaea, Bamboo Leaf Extract
- Sea Salt
- Shoyu, sugar, salt, bottles, caps, sodium benzoate, citric acid, labels
- Snacks

Base: 9 companies

**Appendix 7: Names of the Hawai'i-based Companies where U.S. Mainland
Companies who manufacture or distribute Hawai'i-associated named
products purchase their ingredients**

Question: Can you provide the names of the vendors you use in Hawai'i?

- Aloha Bottle
- Aloha Farms, Coffees of Hawai'i
- Aloha gourmet
- Aloha Shoyu
- Artistica
- BEI Hawai'i
- Booklines Hawai'i
- Costco
- Ed & Don's
- Golden Basin International
- Halms
- Hansens
- Hawaiian Host
- Hawaiian Red Alaea Harvesters
- Hawaiian Sun (2)
- HFP
- HFP Manufacturers (Hosoda Bros)
- JCO Holdings
- Kahuna Dist
- Kona Star Farms
- Many other service providers
- Paradise Beverage
- PEP Hawai'i
- Savor Brands - Honolulu
- Shangri LA Tea- HI
- Sugai Coffee
- Sysco Hawai'i
- Various Maui Farmers
- Wing Coffee

Appendix 8: Why U.S. Mainland Companies who manufacture or distribute Hawai'i-associated named products do not purchase their ingredients from Hawai'i-based Companies

Question: Can you please specify why you do not buy any products from Hawai'i-based vendors?

- Because we can get them from vendors here.
- Hawai'i does not produce the beer ingredients necessary to make the beer with the name "Aloha Beaches"
- Maui is a nickname
- No distribution of products here in Spokane.
- Not needed
- Products are mainly Hawaiian in name only not ingredients.
- Shipping
- That vendors are not that many and they don't deliver a wide range area.
- They are all available in California, as they are natural, readily available products.
- Transportation cost and accessibility.
- We are a California-based rice company.
- We buy them from vendors that sell to us.
- We do not need additional ingredients for the coffee.
- We serve poke bowls that have mostly everyday ingredients. These are easily accessible on the mainland.

Base: Companies that do not purchase ingredients from Hawai'i-based companies.