

HAWAII ADMINISTRATIVE RULES

TITLE 4

DEPARTMENT OF AGRICULTURE

SUBTITLE 4 DIVISION OF MARKETING AND CONSUMER SERVICES

CHAPTER 54

INDUSTRY AND PRODUCT PROMOTION PROGRAM

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§4-54-1 Definitions. As used in this chapter:

“Association” means three or more producers joined together as a State registered non-profit entity whose purpose includes product promotion.

“Chairperson” means the chairperson of the board of agriculture of the state department of agriculture.

“Department” means the state department of agriculture.

“Producer” means any person engaged in the business of raising, growing, or processing, agricultural commodities or manufacturing kindred goods, including food merchandise in the State.

“Product promotion fund” means funds appropriated by the legislature to the department to aid producers in the State to promote their products and develop new or expanded markets.

“Products” means any agricultural commodities and kindred goods, including manufactured or processed foods and merchandise, produced in the State, with at least fifty per cent of the manufactured or processed product value or contents from the State. [Eff FEB 14 1986] (Auth: HRS §141-2) (Imp: HRS §26-16)

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§4-54-2 Eligibility for product promotion assistance. (a) Any association whose products have a good potential for export or the potential for successfully competing with imports into the State is eligible to apply for product promotion assistance.

(b) The chairperson shall make the determination of whether or not a product has the potential referred to in subsection (a) , based upon information on market conditions, feasibility studies, or any other pertinent data available submitted by an association, acquired or produced by the department, or both. [Eff FEB 14 1986] (Auth: HRS §141-2) (Imp: HRS §26-16)

§4-54-3 Procedures for requesting promotion assistance. (a) An association applying for product promotion funds shall submit a written request to the chairperson.

(b) The written request shall include a completed application form and contain:

- (1) A statement of the nature of the association's interest and reasons for participating in the underwriting of a product promotion program;
 - (2) A description of the membership of the association;
 - (3) A statement regarding the potential market for the particular product;
 - (4) A proposed promotion program plan, including the strategy and how it will be carried out;
 - (5) Estimated cost, including total and component costs;
 - (6) Proposed financing of the program, including a ratio of State funds to be matched with funds from the association equaling at least forty per cent of the cost of the program, except as provided under section 4-54-6(f); and
 - (7) Any other data relevant to the request or which may be required by the chairperson.
- (c) Any request which does not conform to the requirements in subsection (b) may be rejected by the chairperson.
- (d) Upon receipt of the request, the chairperson shall cause it to be dated to establish the date of receipt.

(e) If the chairperson deems it desirable for the economic development of Hawaii, the chairperson may seek out an association or stimulate the organization of producers to promote particular products. [Eff FEB 14 1986] (Auth: HRS §141-2) (Imp: HRS §26-16)

§4-54-4 Consideration of Request. (a) Within forty-five days after receipt of an application, the chairperson shall deny or grant, either in part or in whole, the request in writing. Where additional information from the applicant is required by the chairperson, the forty-five days will begin upon receipt of that information by the department.

(b) In considering the request, the chairperson shall be guided by the following factors:

- (1) Preference shall be given according to the need for a product promotion program to attain the full potential of an industry and according to the scope, thoroughness of preparation, and soundness of the applicant's proposed promotion program plan;
- (2) Preference shall be given to the association contributing to a greater ratio of the matching funds;
- (3) Preference shall be given to an association, such as one in a fledgling industry, with a lesser ability to pay for a promotion program;
- (4) An association in an industry with a greater potential for expansion shall be assigned a higher priority;
- (5) A higher priority shall be assigned to an association with a membership consisting of a greater number of producers whose combined production accounts for a substantial portion of the value of its industry;
- (6) A higher priority shall be assigned to products with a greater value to the State including labor and material utilized, or value added within the State; and
- (7) Evidence of progress and accomplishments of previous promotional programs based on staff evaluation and written reports submitted by the applicant. [Eff FEB 14 1986] (Auth: HRS §141-2)
(Imp: HRS §26-16)

§4-54-5 State approval of promotion program. (a) Following a favorable determination by the chairperson on requests for promotion assistance, the chairperson shall approve all promotions and shall stipulate such changes as may be desirable. The promotion program may include the use of literature, advertising, demonstrations, displays, lectures, travel, motion picture and slide films, market testing, and other promotion and publicity devices as may be appropriate.

§4-54-5

(b) The chairperson may also require the association to retain a marketing or advertising agency to effectuate the promotion. The agency shall be approved by the chairperson before its retention. Prior retention of an agency by the association shall not alter the requirement of the chairperson's approval. [Eff FEB 14 1986] (Auth: HRS §141-2) (Imp: HRS §26-16)

§4-54-6 Contracts. (a) The department may enter into contract with appropriate agencies, firms, individuals, and associations for promotion to foster the development of the agricultural industry in consonant with the policies, programs, and activities of the governor's agriculture coordinating committee.

(b) All parties to a contract involving the use of state funds shall be bound by the terms of the contract.

(c) All such contracts shall be approved by the chairperson and specify the name and address of the parties, the nature and scope of the work to be performed, the manner in which funds may be expended, and such data as the state comptroller may require.

(d) The contract term shall not exceed one year, but the term may be extended by mutual written agreement by the parties to the contract.

(e) Funds to assist associations to promote their products shall be matched by association funds equal to at least forty per cent of the contracted amount.

(f) Where a new or fragile association in an emerging industry with good potential for growth is unable to contribute its full matching share, the chairperson may waive matching fund requirements for the first three years of any contract, but shall require at least twenty per cent matching funds for the fourth year of any such contract, and at least forty per cent matching funds for all subsequent years of any such contract; provided that such a waiver shall be granted only once in a single industry.

[Eff FEB 14 1986] (Auth: HRS §141-2) (Imp: HRS §26-16)

§4-54-7 Non-matching promotions. Where no single industry can be clearly designated as the beneficiary of a promotion or where the promotion involves multiple commodities or a single event, such as trade shows, sales missions and individual retail promotional sales, the chairperson may permit up to one hundred per cent financing by the department. [Eff FEB 14 1986] (Auth: HRS §141-2) (Imp: HRS §26-16)