Need Help in Global Markets?
How HDOA can Assist You

Matthew Loke, Ph.D., Administrator
Agricultural Development Division
February 26, 2008
Hawaii Agricultural Exports: 1995-2006

Source of Data: U.S. Dept. of Commerce, Bureau of the Census

HDOA – Agricultural Development Division
Hawaii Agricultural Exports to Canada: 1995-2006
(Fresh, Semi-Processed, and Processed)

Total: $22.6 m
Fish: $16.8 m

Sources of Data: Canada's import data: Statistics Canada; converted from Canada dollar value into U.S. dollar value using annual average exchange rate from http://www.oanda.com/convert/fxhistory.
Hawaii Agricultural Exports to Japan
(Fresh, Semi-Processed, Processed)

WUSATA Survey:
“Export Opportunity and Barrier” (Summer 2007)
Survey of Agribusinesses in 13 states – Hawaii lead in responses

Leading Responses by State

<table>
<thead>
<tr>
<th>State</th>
<th>Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hawaii</td>
<td>65</td>
<td>22.6%</td>
</tr>
<tr>
<td>Oregon</td>
<td>55</td>
<td>19.1%</td>
</tr>
<tr>
<td>Colorado</td>
<td>48</td>
<td>16.7%</td>
</tr>
<tr>
<td>Washington</td>
<td>42</td>
<td>14.6%</td>
</tr>
<tr>
<td>California</td>
<td>24</td>
<td>8.3%</td>
</tr>
<tr>
<td>Montana</td>
<td>14</td>
<td>4.9%</td>
</tr>
<tr>
<td>Nevada</td>
<td>14</td>
<td>4.9%</td>
</tr>
<tr>
<td>Utah</td>
<td>13</td>
<td>4.5%</td>
</tr>
<tr>
<td>Others</td>
<td>13</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

Mission …
… is to develop and enhance international markets for food and agricultural products

HDOA – Agricultural Development Division
Company led international promotional activities

- Qualified U.S. companies receive up to 50% reimbursement for expenditures of approved promotional costs for approved branded products in foreign markets;
- Applicants are required to pre-qualify for the program in order to apply;
- Applicants are accepted before October 2 of each calendar year for the next program year;
- Program year: January 1 to the following December 31 each calendar year.
Reimbursable Expenditures:

- Point-of-Sale Materials;
- Trade Shows (including participant travel);
- Advertising – print and broadcast formats;
- Freight for Samples;
- In-Store Demonstrations;
- Importing Country Label Changes (as required);
- Technical Product Seminars.
MAP Branded Program – Cont …

How Much Can I Request?

• $5,000 minimum;
• $300,000 maximum;
• $50,000 maximum request - first year in program
MAP Branded Program – Cont …

How Much Does it Cost?

- $200 Application Fee (non-refundable);
- 6% Administrative Fee;
- Your Time
  - Application
  - Activities
  - Claims
  - Evaluation
MAP Branded Program – Cont …

U.S. Content & Labeling Requirements

• U.S. agricultural content must be at least 50% by weight (excluding added water and packaging)

• U.S. identification on label and promotions
  • Examples:
    • Product of USA
    • Grown in USA
    • Made in USA
    • Substitute “America” or name of state spelled out in place of USA.
MAP Branded Program – Cont …

Six Steps to Branded Program Success
• Pre-qualify;
• Apply;
• Approved;
• Conduct Activities;
• Submit Reimbursement Claims;
• Evaluation.

Take the 5-minute Pre-Qual Test: Log On!
www.wusata.org/services/branded/08online/PreQualWorksheet.html
Program Example

Hawaii Roasters, LLC. (Kona, Hawaii)

- 2002 Exhibited at SIAL in Paris utilizing MAP Branded Program Funding;
- 2003 Hosted Buyers from France for facilities tour and dinner through the Generic Program;
- 2004 Shipped first shipment of ‘green’ coffee to France.

Coffee Plantation Buyer’s Tour - Hawaii
Export Readiness Training (ERT)

- Funded by the FAS Emerging Markets Program;
- Supported by the Hawaii Department of Agriculture;
- Conducted by a local contractor (HTDC-MEP);
- Focused on Minority- and Women-owned companies;
- 30+ hours of training, plus market research support;
- One-on-one consultation;
- Second Year Training begins in Summer 2008.
What Will ERT Cover?

- Success in International Trade;
- International Marketing Plan;
- Legal Aspects;
- Export Trade Finance and How to Get Paid;
- Destination and Market Research;
- Export Regulation, Transportation & Documentation;
- Export Business Plan;
- Art of Negotiation;
- Cultural Do’s and Don’ts in International Trade.
What are the Qualifications?

- Exportable food or agricultural product(s);
- A product available in the domestic market;
- Product that is at least 50% U.S. agricultural content;
- Classified as a small business;
- Strong domestic sales ($250,000+ annually);
- Less than one year of active export experience.
Application and Fees

- Application will be online in May
  - Signed application
  - Financial statements for past 3 years
  - Marketing materials

- Cost will be $325 for entire program
  - Value of program is $12,000+

[www.wusata.org/ert](http://www.wusata.org/ert)
HDOA-WUSATA Resources

www.wusata.org

- Branded Program Information & Forms;
- FAS Program Information;
- Events Calendar (trade shows, missions, etc.);
- Euromonitor Database.
Western United States Agricultural Trade Association

A Few of Our Clients...

Johnson & Johnson Inc.  Pfizer  L'Oréal  Burger King  ABN-AMRO

Unilever  Mars  P&G  Kraft  Dresdner Kleinwort Wasserstein

Coca-Cola  Ferrero  Henkel  Carbery Schweppes  accenture  JPMorgan

Nestle  AVON  USDA  The Boston Consulting Group

Starbucks  Herbalife  GlaxoSmithKline  Fonterra  Goldman Sachs

Kraft  The Gillette Company  Kimberly-Clark  Ford Motor Company

PepsiCo  Oriflame  Johnson & Johnson  A Family Company

IFF  International Flavors & Fragrances Inc.  Firmenich  Rexam

Givaudan  Tetra Pak  Carrefour  ALCATEL

Danisco  Elopak  METRO Group  bp

Helping to promote, develop and enhance export markets of food and agricultural products.

© Euromonitor International
Western United States Agricultural Trade Association

TUTORIAL – Country Sections

Each country section consists of 7-10 slides, that include the following:

1. MARKET OVERVIEW
   - Packaged food sales, '02 / '07 / '12
   - Period growth, '02-'07 / '07-'12

2. SECTOR ANALYSIS
   - Top five historic growth sectors
   - Top five forecast growth sectors
   - Bottom five forecast growth sectors
   - Sector trends

3. HOT ZONE MAPPING 1
   - Map of key packaged food sectors at the country/region level
   - Identification of large, high-growth sectors (Hot Zone)

4. HOT ZONE MAPPING 2
   - Map of key product categories at the sector level
   - Identification of large, high-growth categories (Hot Zone)

5. SUBSECTOR ANALYSIS
   - Identification of country/region sector drivers and trends
   - Forecast growth and market sizes at the subsector level for mapped Hot Zones

6. MARKET TRENDS
   - Distribution channel sales
   - Identification of country/region macroeconomic market drivers and trends

© Euromonitor International

WUSATA Helping to promote, develop and enhance export markets of food and agricultural products.
Contact us for help!

Matthew K. Loke, HDOA-WUSATA SMO, matthew.k.loke@hawaii.gov

Sharon K. Hurd, HDOA-WUSATA SMO, sharon.k.hurd@hawaii.gov

www.hawaii.gov/hdoa tel.808-973-9595

Ann Buczkowski, Branded Program Manager, ann@wusata.org

www.wusata.org tel.360-693-3373
All our dreams can come true, if we have the courage to pursue them.

- Walt Disney

Thank You and Aloha