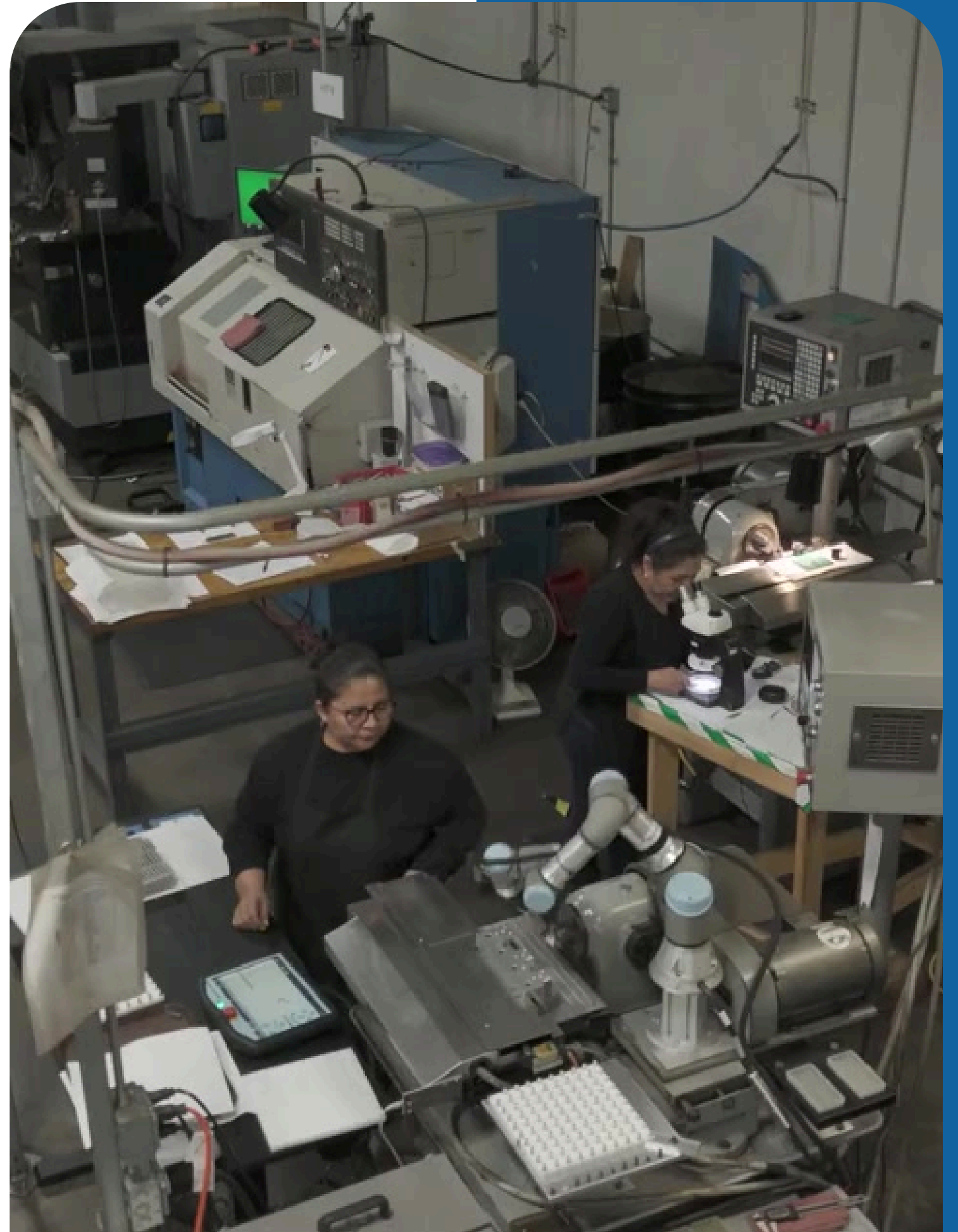




# Getting Ready to Apply

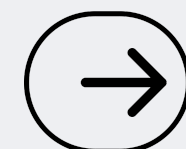


# Proudly Made in California?

**This short guide explains the approved Made in California Program requirements and what you'll need before submitting your application through the online portal.**

Approved licensees may:

- Use the official Made in California Label on approved packaging, marketing, point-of-purchase displays, and advertising.
- Be included in Program marketing and the Product Database.
- Align their products with California's reputation for innovation, quality, and manufacturing excellence.
- Connect with buyers, procurement officers, and other California manufacturers.



[Made in California Regulations](#)

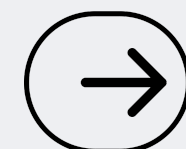
# Made in California Regulations



The approved Made in California regulations define “Substantially Made” as completing an act that adds at least 51 percent of a final product’s wholesale value through manufacture, assembly, fabrication, or production to create a final, recognizable product. Packaging alone does not qualify.

Applicants must attest that each product using the Made in California Label and/or entered in the Product Database meets Program requirements.

Let’s see if this includes your business...



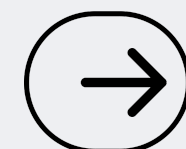
[What businesses are eligible?](#)

# What Businesses are Eligible?



**Your business is eligible for Made in California if it:**

- Is legally authorized to do business in California.
- Conducts final assembly, manufacturing, fabrication, or production of the product at a California manufacturing facility.
- Creates a final, recognizable good.
- Meets the 51% California Value-Added Share threshold.
- Submits a signed attestation and required application information.



What is a final recognizable product?

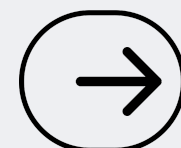
# What Is a Final Recognizable Product?

A final, recognizable product is a physical good in completed, market-ready form that buyers can identify and purchase.

The product must:

- Be finished and ready for commercial sale — not a raw material, component, or partially finished good.
- Be distinct and identifiable — such as a packaged consumer product or a B2B good.
- Be the version that enters the marketplace with labeling, packaging, or catalog reference.

**To qualify, final assembly, manufacturing, fabrication, or production must take place in California and the product must meet the 51% California Value-Added Share threshold.**



What is wholesale value?

# What is Wholesale Value?

**R&D, packaging, or marketing costs cannot be included.**



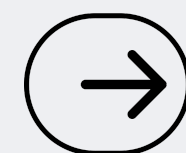
Wholesale value refers to the value your business adds to the final product in California through manufacturing, assembly, fabrication, or production. It is calculated using California-based:

- **Direct labor costs**
- **Direct material and components cost**
- **Fixed overhead costs**

## **How to calculate California Value-Added Share:**

Add the California-based direct labor, direct material, and fixed overhead costs used to produce the final product. Then divide that amount by the total product cost, including any direct or indirect material and labor costs generated outside California.

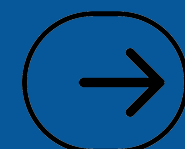
**To qualify, the California Value-Added Share must be at least 51 percent.**



[What types of businesses are eligible?](#)

# What Types of Businesses are Eligible?

Business Type	Definition
<b>Manufacturer</b>	Designs and produces goods in-house using raw materials or components.
<b>Contract Manufacturer</b>	Produces goods or components, or packages products, on behalf of another business.
<b>Assembler</b>	Performs final assembly using components or subassemblies.
<b>Fabricator</b>	Changes or adapts materials or components through processes such as welding, cutting, forming, stamping, or other fabrication methods.
<b>Brand Owner (Producing)</b>	Owens the brand and directly manufactures or assembles all or part of the product.
<b>Brand Owner (Non-Producing)</b>	Owens the brand but uses a contract manufacturer or co-packer.
<b>Co-Packer</b>	Packages, labels, bottles, or prepares products for another brand.



How does Made in California calculate “substantially made”?

# How Does Made in California Calculate “Substantially Made”?

The Made in California Program uses the California Value-Added Share to determine whether a product is substantially made in California.

To qualify, at least 51 percent of the final product’s wholesale value must be added in California through:

**1** Direct labor costs

**2** Direct material and component costs

**3** Fixed overhead tied to production

**California Value-Added Share = California Production Value ÷ Total Product Cost**

➔ How does Made in California calculate “substantially made”? continues...

# How Does Made in California Calculate “Substantially Made”?

Gather California labor costs tied directly to making your product.

1

**What percentage of your total labor costs are generated in California?**

## **Include:**

- Wages or salaries for employees directly involved in production
- Production supervisors or managers directly tied to making the product
- Labor performed at a California cost center or work center

## **Example:**

You sell marine hardware. You have sales offices across the country but your manufacturing plant is in California. You spend \$1,000,000 a year on all your facilities but you spend \$600,000 keeping the California plant running, including energy costs. So you would answer in the application: 60% of your overhead is incurred in California.

## **Do not include:**

- Sales, marketing, or administrative salaries
- Benefits, bonuses, overtime, or tips
- Labor costs not tied to producing the specific product

# How Does Made in California Calculate “Substantially Made”?

Before you apply, gather information about the raw materials and components used to make your product.

**2** What direct material and component costs are generated by the product in California?

## Include:

- Raw materials sourced from California
- Components sourced from California
- Annual costs for materials and components used in the product
- Percentage of total material spend originating in California

## Example:

You sell batteries for electric cars. The lithium in the battery is mined in California but the plastic for the container comes from Louisiana. Your raw materials cost \$1,000,000 but \$800,000 is for lithium. So you would answer in the application: 80% of the cost of your raw materials originates from California.

## Do not include:

- Packaging costs
- Imported materials or components
- Materials not used in the final product

# How Does Made in California Calculate “Substantially Made”?

Before you apply, gather information about fixed overhead costs tied to the California facility where the product is made.

3

**What fixed overhead costs are generated by the product?**

## Example:

You manufacture marine hardware in California and pay \$400,000 in direct production salaries at the California plant. You also pay administrative and sales salaries. For this calculation, use only labor costs tied to production of the product.

## Include:

- Rent or lease costs for the production facility
- Insurance premiums tied to the facility
- Equipment depreciation
- Other fixed production-facility expenses

## Do not include:

- Research and development costs
- Packaging costs
- Marketing, sales, or general administrative expenses
- Overhead costs not tied to California production

→ [What if my business uses a co-packer?](#)

# What If My Business Uses a Co-Packer?

## **Example 1:**

You sell wine using California grapes and ferment the final vintage on-site at your winery in Napa. Bottling and labeling may occur separately, but the product may qualify if it meets the 51% California Value-Added Share threshold.

## **Example 2:**

You sell almond butter. A California co-packer processes the almonds into the final product and packages it for sale. The product may qualify if the California processing or manufacturing work creates the final, recognizable product and the 51% threshold is met. If the co-packer only packages or labels an already-finished product, packaging alone is not enough.



What does “self-attestation” mean?

# What Does “Self-Attestation” Mean?

Self-attestation means the applicant signs a self-certification statement under penalty of perjury as part of the application.

The attestation confirms that each product entered in the Product Database and/or using the Made in California Label complies with Program requirements.

**If a product no longer qualifies, the business must remove it from the Program and stop related claims or label use.**

## **Example:**

You sell surfboards. Your surfboards are made and assembled in California and meet Program requirements. You also sell imported surfboard leashes. The Made in California Label may be used only for qualifying products, not the imported leashes.

Please note: Applicants and licensees must keep records supporting the attestation and provide them to GO-Biz upon request.



You Are Ready To  
Apply!

[madeincalifornia.ca.gov](http://madeincalifornia.ca.gov)