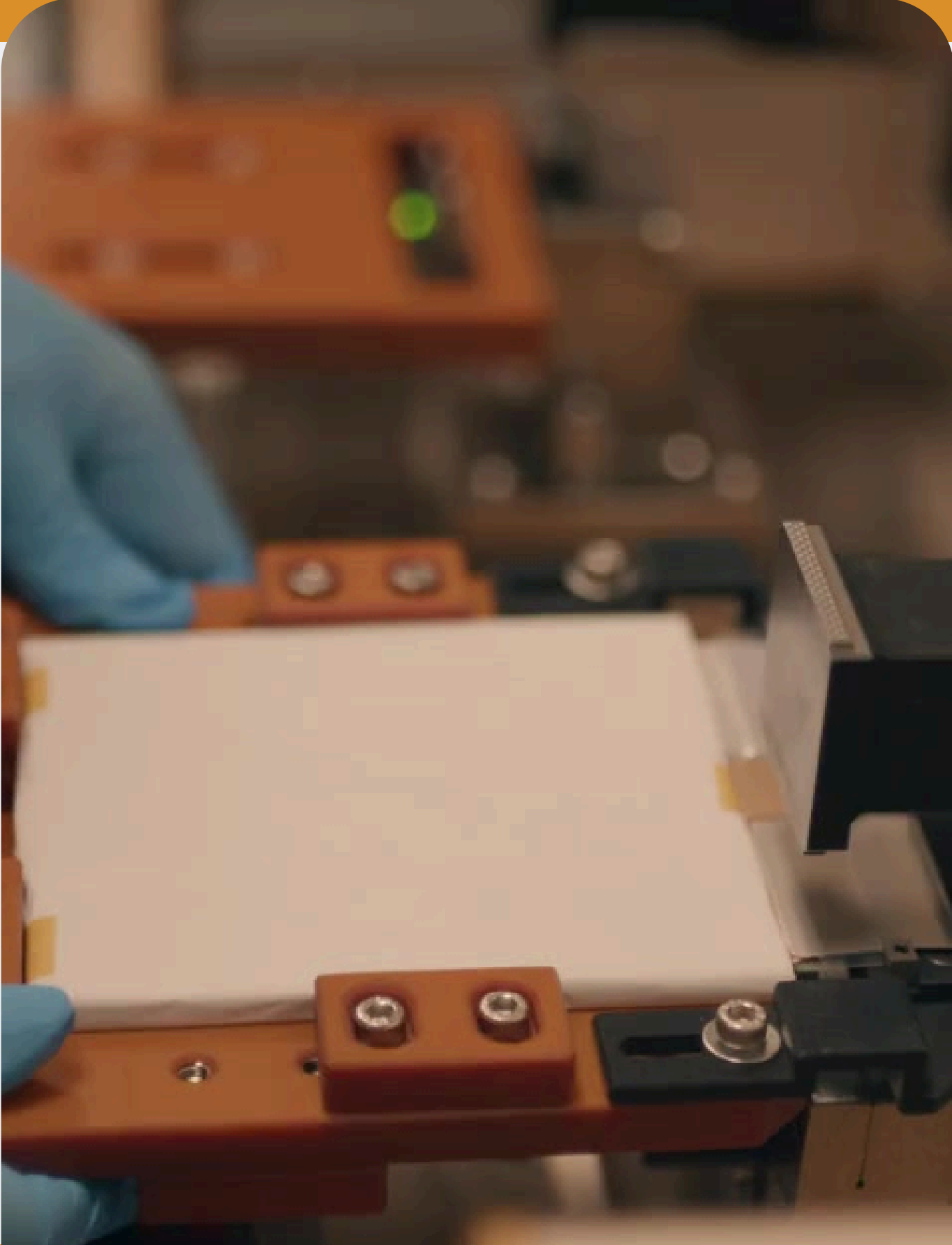




Getting Ready to Apply



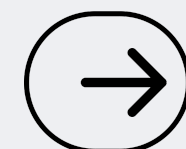
Proudly Made in California?



This short guide breaks down what it means to be “Made in California” and what you’ll need to complete the application process.

Licensees using the label enjoy the benefits of:

- **Brand alignment** with California's reputation for innovation, quality and trusted products
- **Promotion** in State led marketing campaigns
- **Use of the official logo** on marketing and packaging
- **Expanded reach** across local, state, national, and global markets



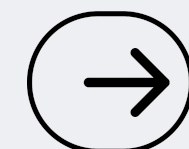
[Made in California Regulations](#)

Made in California Regulations



The Made in California regulations (Government Code section 12098.10 and 12098.11) defines “substantially made” in California as “completing an act that adds at least 51 percent of a final product’s wholesale value by manufacture, assembly, fabrication, or production to create a final, recognizable product.”

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 you:

- Create and sell a **final recognizable product**
- Your business adds at least **51% of the product's wholesale value**, based on the cost of labor, raw materials, and production overhead. Don't include costs for R&D, packaging, or marketing
- **Operate in California in one or more of the following ways:**
 - Direct manufacturing
 - Assembly, fabrication, or contract manufacturing

➔ [What is a final recognizable product?](#)

What Is a Final Recognizable Product?

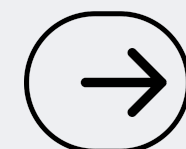
To be considered Made in California, a business must produce a final, recognizable product at a California-based facility.

A final, recognizable product refers to:

A physical good in its completed form ready for sale identifiable by consumers or business buyers as a market-ready item

The product must:

- **Be finished and ready for commercial sale** — not a raw material, component, or intermediate or partially finished good
- **Be distinct and identifiable** — such as a packaged consumer product (e.g., a jar of salsa or skincare item) or a B2B good (e.g., assembled circuit boards, custom industrial parts, or private-label products)
- **Be the version that enters the marketplace** with labeling, packaging, or catalog reference — the form in which a buyer could recognize its purpose and purchase it



What is wholesale value?

What is Wholesale Value?

Whether your business sells B2B or B2C, the majority of value-added work must occur in California.

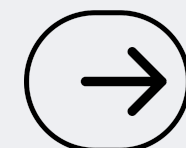


Wholesale value refers to the:

- Total value of a product based on the **costs of production**
- Costs of production include costs of **labor, raw materials,** and **production overhead** incurred to produce the final recognizable product

Keep in mind! **Costs of production:**

- **Excludes** marketing, advertising, R&D, packaging, and shipping costs
- **Reflects** value created through manufacturing, assembly, or fabrication



What types of businesses are eligible?

WHAT TYPES OF BUSINESSES ARE ELIGIBLE?

Business Type	Definition	Key Traits	Eligible for Made in California?
Manufacturer	Designs and produces goods in-house using raw materials or components for consumers or other businesses.	Owns production equipment; direct control over production.	Yes, if 51% of wholesale value is added in California.
Contract Manufacturer	Produces goods on behalf of other companies based on their specifications.	Works from client specs; may serve multiple clients.	Yes, if products are manufactured in California & sold as final goods.
Assembler	Performs final assembly or fabrication of products using components or subassemblies.	Adds value to separate components or materials by putting together parts to create the final product.	Possibly, if assembly occurs in California <i>and</i> creates 51% of wholesale value.
Fabricator	Produces goods for commercial, industrial, and military use—commonly household items, electrical equipment, and machinery—using welding and other fabrication methods like bending, cutting, forming, and stamping.	Adds value by changing or adapting separate components or materials to create the final product.	Possibly, if fabrication occurs in California <i>and</i> creates 51% of wholesale value.
Co-Packer	Specialized contract manufacturer that packages and labels products for other brands (common in food, beverage, health, cosmetics).	Handles recipe scaling, production, compliance, bottling, and/or handling.	No, as another company is selling the final recognizable product.
Brand Owner (Non-Producing)	Does not manufacture in-house; outsources production to third parties such as contract manufacturers or co-packers.	Focuses on design, branding, or marketing; may import finished goods.	No, as R&D and marketing costs are not allowed.



How does Made in California calculate “substantially made”?

How Does Made in California Calculate “Substantially Made”?

The regulations define “substantially made” as adding at least 51% of a final product’s wholesale value.

The Made in California application calculates this threshold using three criteria:

1 **Cost of Labor**

2 **Cost of Raw Materials**

3 **Production Overhead**

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

How Does Made in California Calculate “Substantially Made”?

Before you start the application, think about your business:

1

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

What you need to know:

- Current total of Full-Time Equivalent Employee
- Current total annual payroll
- Percentage of payroll paid in California

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 production overhead is incurred in California.

How Does Made in California Calculate “Substantially Made”?

Before you start the application, think about your business:

2

What percentage of your raw materials costs originate in California?

What you need to know:

- Current origin of all raw materials and components
- Current annual cost of raw materials and components
- Percentage of total 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 a year but \$800,000 is for lithium. So you would answer in the application: 80% of the cost of your raw materials originates in California.

How Does Made in California Calculate “Substantially Made”?

Before you start the application, think about your business:

3

What percentage of your production overhead costs occur in California?

What you need to know:

- Current cost of all physical facilities (offices, plants, warehouses)
- Current annual energy costs
- Percentage of total bills paid in California

Example:

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 production overhead occurs in California.



What if my business uses a co-packer?

What If My Business Uses a Co-Packer?

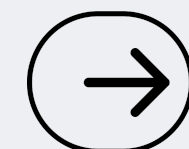
That's okay, provided that the total value your business adds to the final product meets the 51% threshold.

Example 1:

You sell wine using California grapes and ferment the final vintage on-site at your winery in Napa. But your wine is bottled and labeled at a co-packer. Your product is still Made in California provided you meet the “substantially made” threshold based on the other questions.

Example 2:

You sell almond butter. Your business transports the almonds to a co-packing facility that processes and packages the almonds into the final product. Your products may not be eligible for Made in California unless your labor and raw materials costs account for at least 51% of the wholesale value.



What does “self-attestation” mean?

What Does “Self-Attestation” Mean?

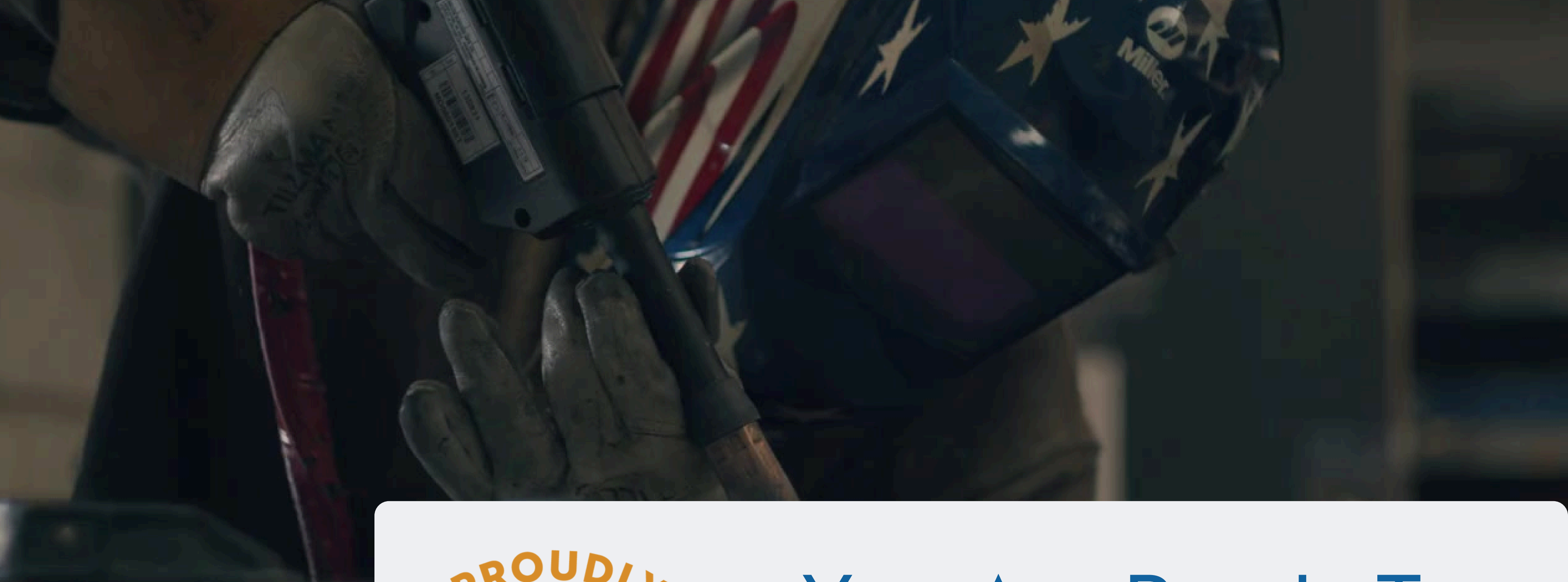
If you are approved for Made in California and sign the licensing agreement, you are certifying the following:

- Your responses are truthful, *and acknowledging that*
- Most of your businesses’ products correspond to your responses.

Example:

You sell surfboards. Your surfboard is made and assembled in California. You also sell surfboard leashes imported from another country. You may use the Made in California label only for your marketing your surfboards.

When the Made in California product database launches (in 2026), you’ll be asked to “self-attest” again that each product entered in the database still matches the original application.



You Are Ready To Apply!

madeincalifornia.ca.gov