IN REPLY REFER TO

DEFENSE COMMISSARY AGENCY

HEADQUARTERS 1300 E AVENUE FORT LEE, VIRGINIA 23801-1800

MPS April 23, 2021

NOTICE TO THE TRADE – DeCA NOTICE 21-69

SUBJECT: Product Availability – Discontinuing Long-Term Out of Stocks; H-Code Usage

The purpose of this notice is to advise Industry of actions DeCA will be taking, effective immediately, to support our mutual goal to present well-stocked, full shelves of all available products to our customers.

Out of Stock ≥ 30 Days - When any item has had little movement in K4 and K5 CONUS Commissaries for 30 days or more, with no acceptable "get well" date, item will be P-coded.

Out of Stock \geq 60 Days - When an item has had no movement in K4 and K5 CONUS Commissaries for 60 days or longer, and is not shipping to EU/PAC, the item will be deleted. Stores will remove the labels from commissary shelves and spread out adjacent items and adjust ordering parameters to fill shelves.

Planograms/Product Availability – Any item on a planogram (POG) must be available in the distributor so stores can order and fill their shelves every day. Industry members (manufacturers, broker and distributor) are jointly responsible for ensuring distributor stock levels to eliminate the possibility of long-term out-of-stocks that could lead to product deletions. Additionally, new items will no longer be added to POGs for store specific quantities until the Category Manager and Chief of Planograms receives written confirmation of that availability from the distributor. Please note that this guidance does not meant that the Agency will discontinue or drop items placed on short term allocation from an existing POG as we continue to work with our suppliers on temporary production restraints confirmed to be impacting all channels.

Dealer/Distributor Phase Outs – These are items identified on reject reports from the distributors as deletes but still marked as active in DeCA. Category teams will validate item status with industry and delete as necessary.

Industry should continue providing Category Management Teams and the distributor coordinator (distrocoordinator@deca.mil) with updates on the availability of items that are out of stock or have been placed on allocation. If an item has been discontinued by DeCA, we encourage industry to re-present those items once sustainable supply quantities can be guaranteed.

Repurposing of "H-Code" – Effective immediately, stock list Code H will be utilized to identify items on allocation. All current H-code items will be subjected to continual review for availability. If no acceptable "get well" date is provided, the item will be deleted. H-coded

items that are noted to have been returned to full supply chain availability within acceptable "get well" dates will return to their original RSL categorization (K, M. R, etc.).

DeCA continues to applaud the tireless efforts of our industry partners in their responses to do everything possible to support our customers around the world despite the unprecedented constraints and compromises to the global supply chain we have all endured over the last year. However, the time has come to make those hard decisions that will put us back on the path of the construct of normalizing our supply chain to drive DeCA's Game Plan "To be THE grocery provider of choice for our eligible patrons – delivering a vital benefit exclusively for our military community and their families!

And that means delivering the full shelves that our customers deserve.

However, it is critical that there is a mutual understanding between the Agency and our Industry partners that items discontinued due to long term out-of-stocks does not mean that we do not understand the importance of those items to DeCA's business and our customers. It is a testament to our resolve deliver the best possible customer experience to the most deserving customers in the world—America's military members and their families.

Point of contact for this NTT is the designated Category Manager and the undersigned.

Thank you for your continued support!

Bonita M. Moffett Director of Sales