



DEFENSE COMMISSARY AGENCY
HEADQUARTERS
1300 E AVENUE
FORT LEE, VIRGINIA 23801-1800

MP

July 15, 2022

NOTICE TO THE TRADE – DeCA NOTICE 22-82

SUBJECT: Vendor Stocking Initiative – Conclusion of Reimbursement Process Effective October 1, 2022

The purpose of this notice is to inform industry that the Vendor Stocking Conversion reimbursement process will conclude on October 1, 2022.

Previous DeCA NTT 21-51, 21-97, and 21-106 alerted industry that DeCA would be moving away from vendor stocking and taking full responsibility for shelf stocking either with DeCA employees or via CA contractors in CONUS, across all categories except milk, eggs, fresh chicken, and National Industries for the Blind (NIB) impulse strips and racks.

Further, NTT 21-106 explained and established the reimbursement rate at \$0.02 per unit for the October 1, 2021 – March 31, 2022 period and set the expectation that this rate would increase to the full \$0.03 per unit for the April 1, 2022 – September 30, 2023 period. DeCA did not increase the rate to \$0.03 per unit and have held at the \$0.02 rate.

Based on our accelerated rate of conversion and a year's worth of experience and actual costs now in our base and the complexity of our manual reimbursement process, we have decided to build these costs directly into our margin requirements for FY 2023 and eliminate the reimbursement process. Industry will no longer be invoiced for vendor stocking reimbursement beginning October 1, 2022.

Our expectations going forward are twofold:

- First, we expect the money you were investing in vendor stockers and / or the reimbursement to be reinvested back in our business via cost-of-good reductions or increased trade spend. Anything less than that will produce a barrier to our patron saving mission, requiring higher retail prices to cover costs.
- Second, there will be a handful of stores requiring continued vendor stocking support into FY 2023. We cannot publish those stores at this time but suffice it to say, those are the stores not announced on a vendor stocking initiative update.

Vendor stocking must continue on milk, eggs, fresh chicken, and NIB impulse strips and racks. Point of contact for this initiative is Grant Hampton, Business Analyst, Sales, Marketing and Logistics, (804) 734-8000 extension 48465 or grant.hampton@deca.mil.

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