



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

MPS

July 7, 2016

NOTICE TO THE TRADE – DeCA NOTICE 16-99

SUBJECT: Category Performance Improvement Effort

The National Defense Authorization Act (NDAA) of 2016 requires DeCA to reduce its reliance on appropriated funds (APF), while maintaining the same level of benefit that is provided to commissary patrons today. As part of this, DeCA is commencing a category improvement effort in order to optimize assortment and improve the overall offering and assortment performance.

The purpose of this notice is to advise Industry that the Sales Directorate will begin this category improvement effort immediately. In the coming weeks, DeCA will begin assessing supplier and SKU performance and developing plans to improve assortment performance and optimize the patron offering. This will include a comprehensive review of total supplier performance – volume, costs, and patron savings. DeCA will be evaluating supplier relationships based on this assessment, and looking for ways to manage our costs and strengthen the value provided to patrons (for example, introducing private label products in some areas throughout the commissary). We expect the processes put in place as part of this effort will continue as standard operating procedure for DeCA in the future, consistent with the standard processes of most grocery retailers.

Over the next few months we will be setting up discussions with our suppliers to share the findings from this assessment, and discuss how each supplier can participate in improving the assortment performance. Our goal for these discussions will be to ensure we maintain, and as appropriate improve, the level of benefit our patrons currently enjoy and offer an assortment that reflects their purchase preferences and patterns, while allowing DeCA to reduce reliance on APF. We look forward to working with you to strengthen our relationship and to continue providing this important benefit to our military Service members and their families.

Tracie L. Russ  
Director, Sales