



DSCP Subsistence

***One Team... Customers,
Employees &
Business Partners***



Directorate of Subsistence

Total Inventory

FY91	\$471M
Sep 03	\$215M

- 54 Prime Vendor contracts
- DeCA supplier of choice
- Prepositioned combat feeding
- Move to 1 retail food system

The Big Picture

Sales

FY02	\$1.8B
FY03	\$2.8B
FY04 (thru Jun)	\$2.1B

Personnel

	Military	Civilian
Headqtrs	11	293
Field	3	120
	14	413

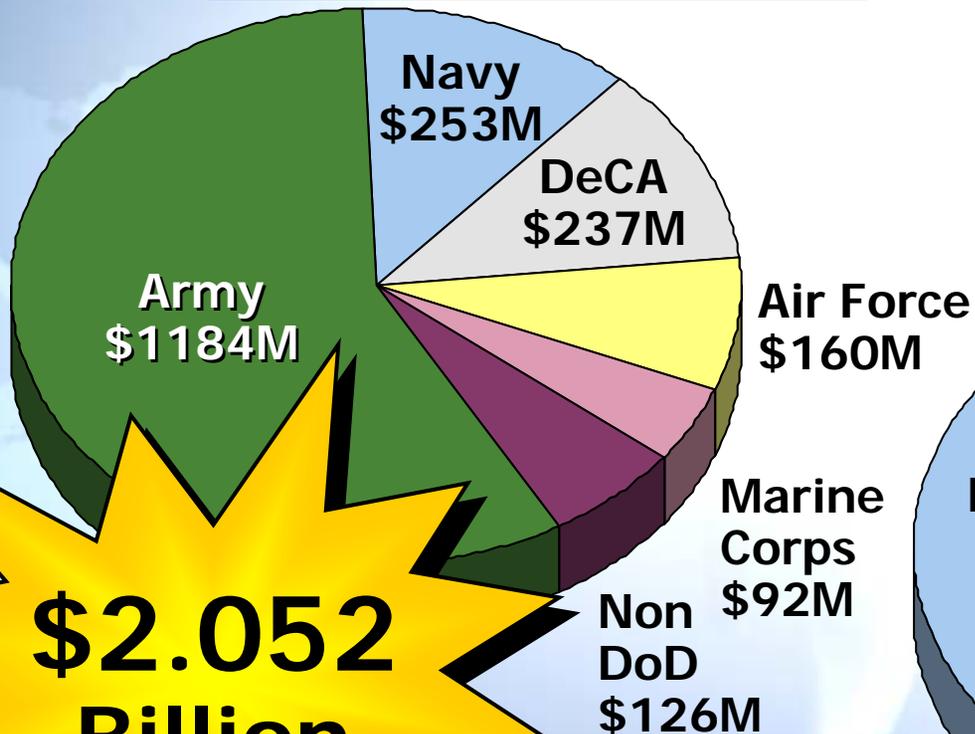


FY04 Subsistence Business

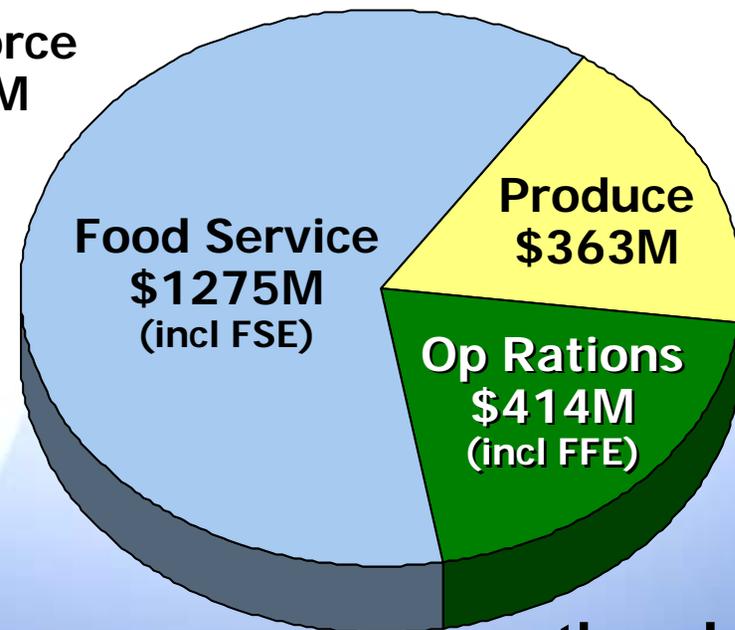
Warfighter
\$1.689B + **Other**
\$363M

Readiness Dividends

- Forward presence
- Surge & sustainment
- Joint strategy
- Information fusion
- Total asset visibility



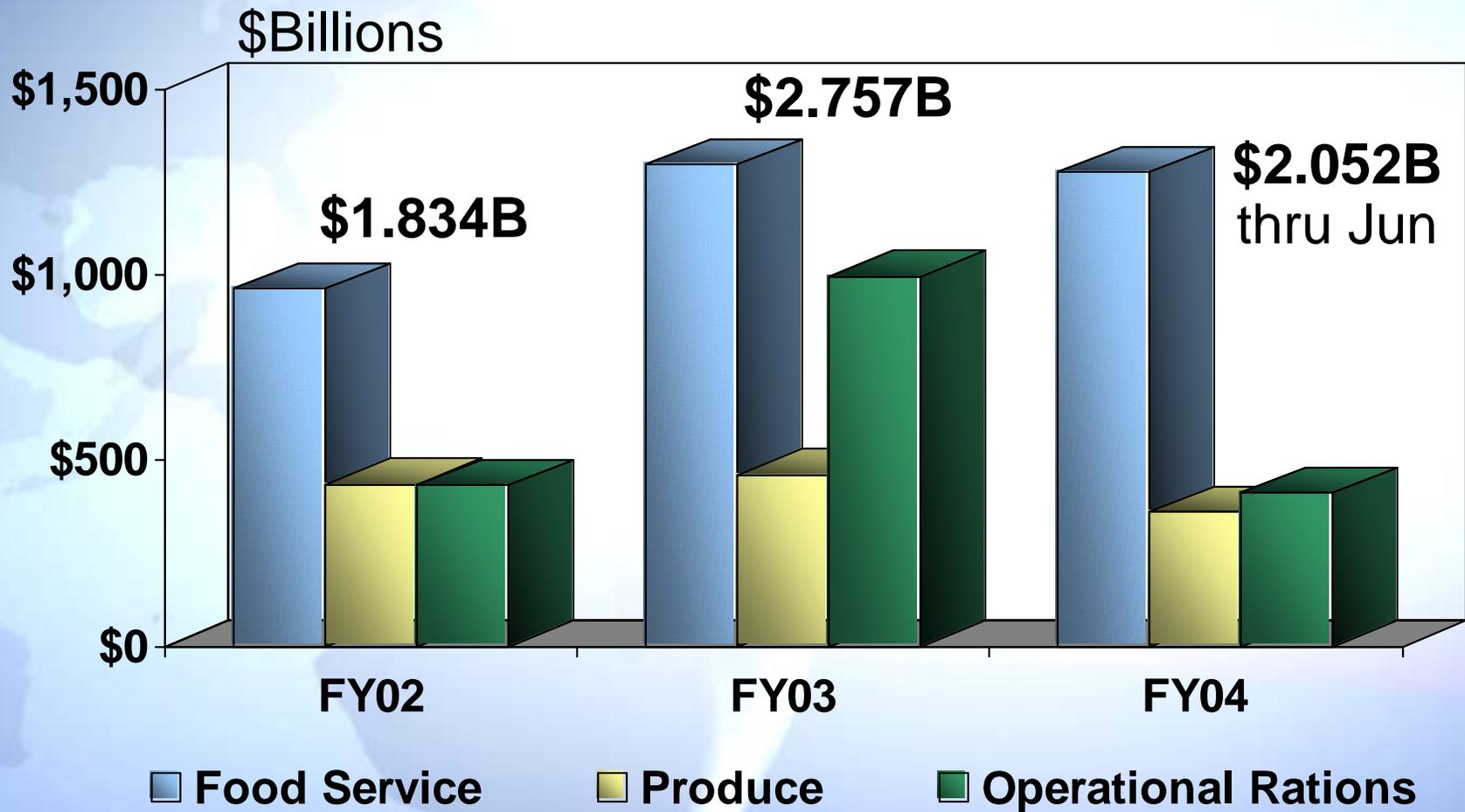
**\$2.052
Billion**



thru Jun 2004

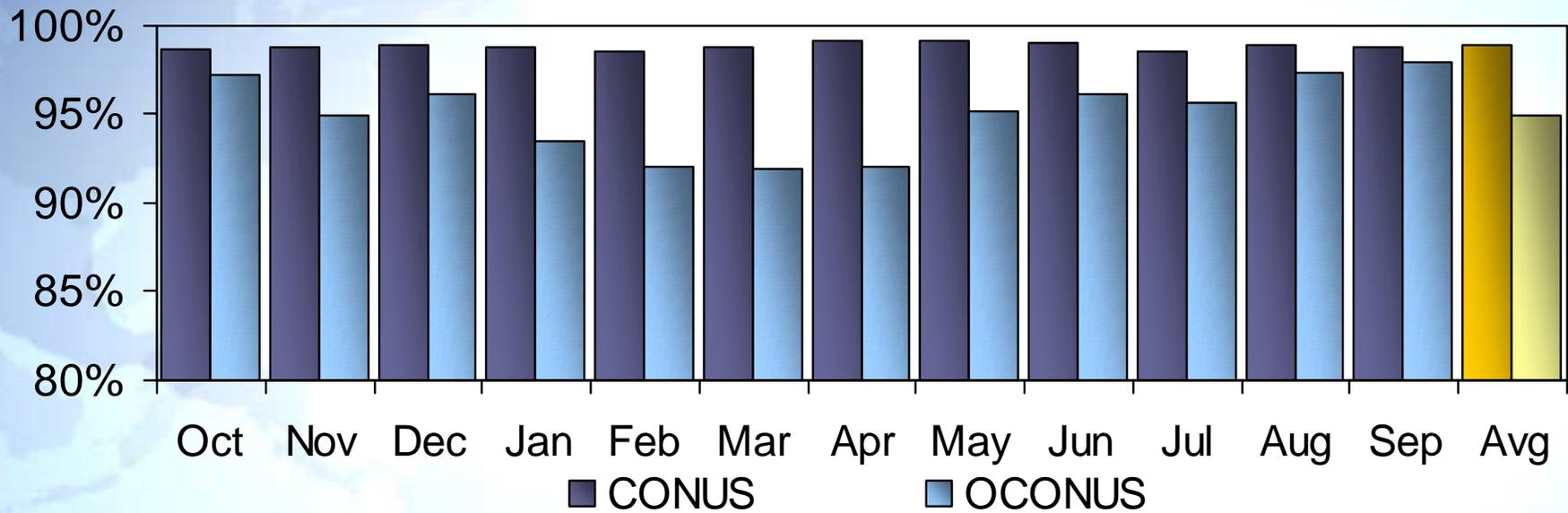


Subsistence Sales Trends

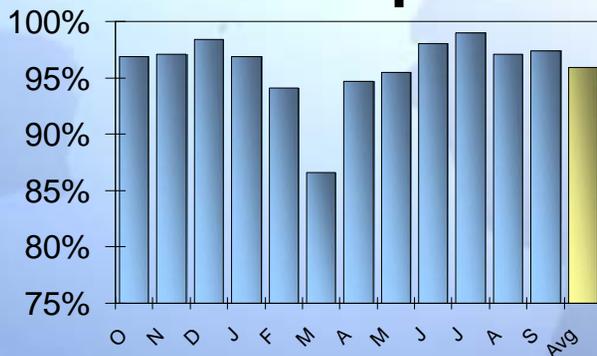




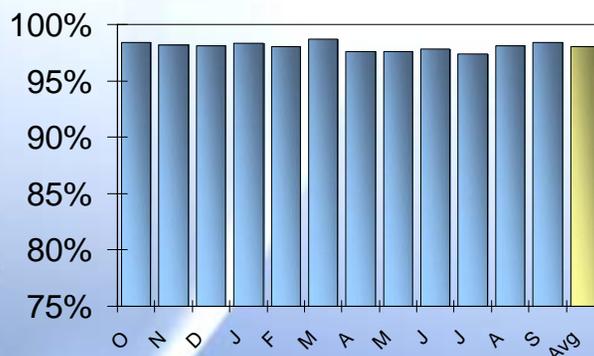
FY03 Prime Vendor Fill Rates



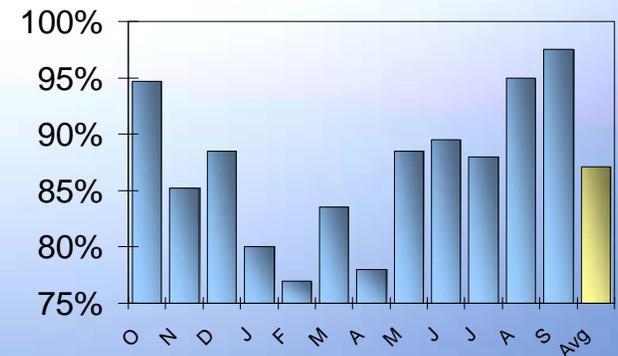
Europe



Pacific

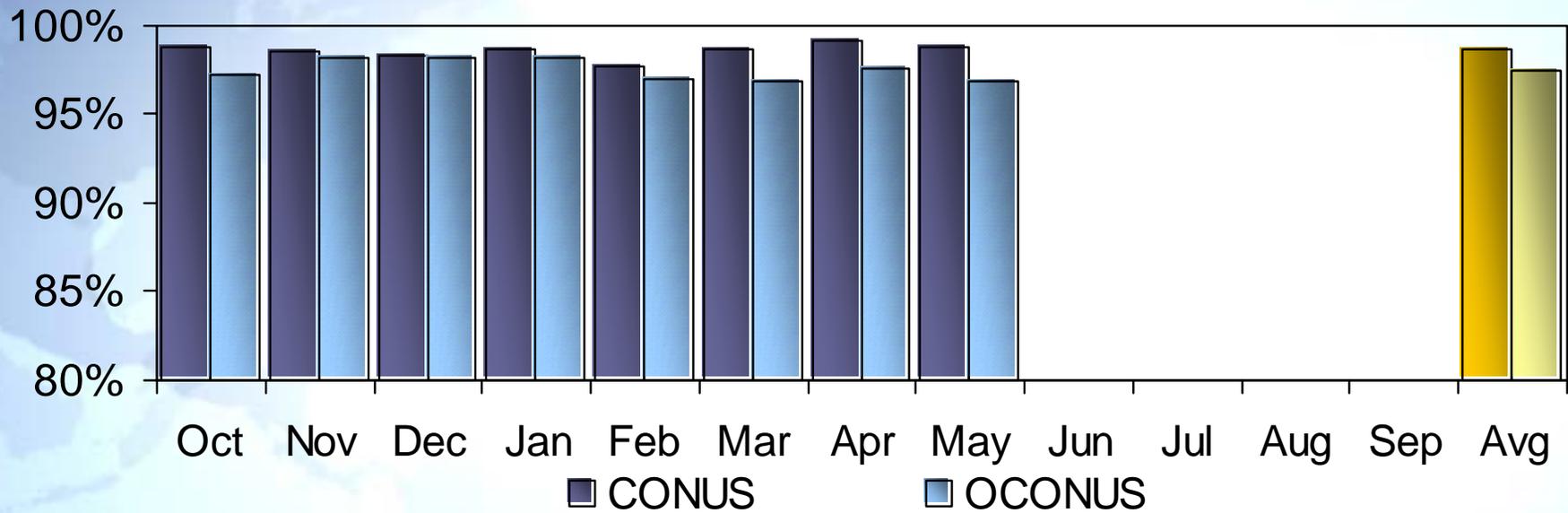


Middle East

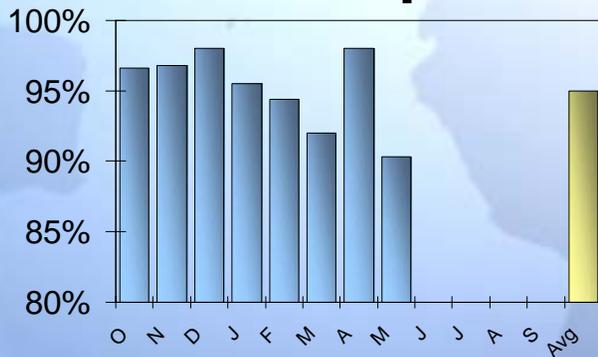




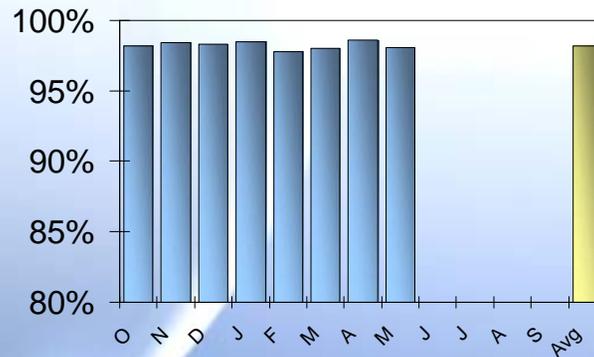
FY04 Prime Vendor Fill Rates



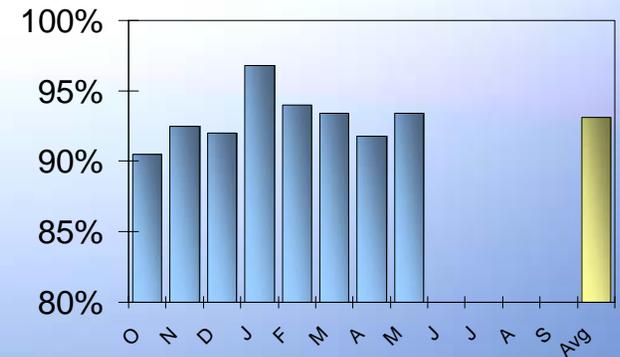
Europe



Pacific



Middle East





Prime Vendor Ecuador

- Prototype for expanding DSCP network in Latin & South America in response to real world troop movements
- \$3M per year... \$15M over 5 years
- Customers
 - Manta AFB
 - US Navy ships
 - US Coast Guard
 - US Embassy, Quito
- 48-hour deliveries ILO 3-weeks
- Surge contingency... 600% of annual estimate





OCONUS Prime Vendor Generation II Contracts

- Performance Based Distribution Fee
 - Performance goals based on historical accomplishments
 - Adjusted quarterly
 - Positive and negative adjustments
 - Currently applied in Pacific
- Deployment zone additions
 - Prime vendor required to support future areas



Transportation Challenges





FY04 National Allowance Pricing Agreement (NAPA)

- Agreements between DSCP and manufacturer... included in every prime vendor contract
- Allows DSCP customers to buy branded products at significant savings

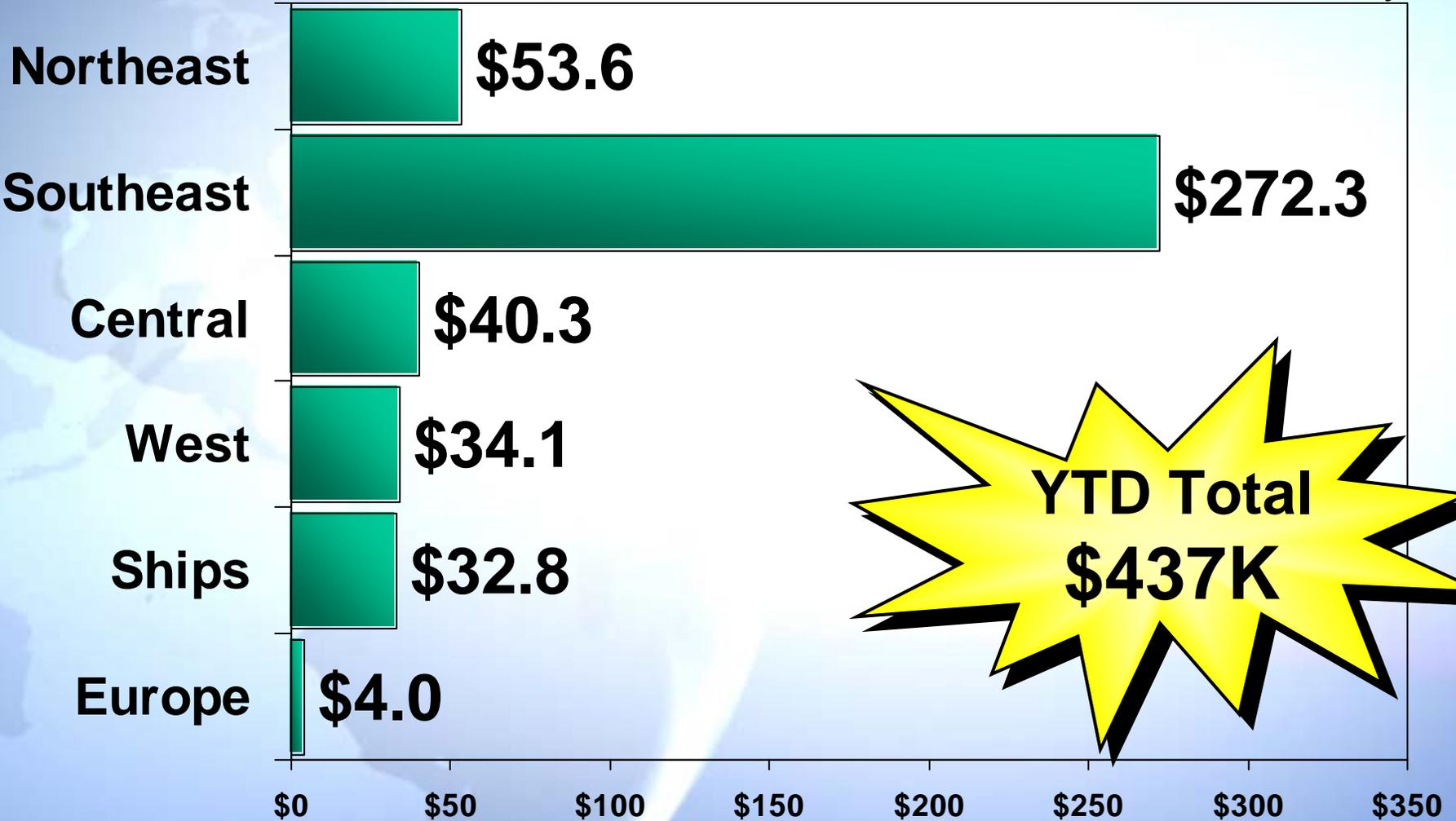




FY04 Food Show Savings

\$Thousands

cumulative thru May





Produce's Customer Base



DeCA
\$237M

Military Services
\$65M



USDA
\$60M

FY04
\$363M
thru Jun

FY03
\$462M



- USDA – School Lunch,
- Fed Indian Reservations



FY04 Produce Network

DSOs provide for readiness and special missions!

European Markets

- London UK
- Frankfurt GE
- Saarbrueken GE
- Nuernberg GE
- Padova IT

Direct market deliveries

\$26.8M

DSO Seattle

DSO San Francisco

DSO Tidewater

DSO Jacksonville

\$317.8M

Pacific Offices

- Hawaii
- Japan
- Guam
- Okinawa
- Korea

Purchase local produce to supplement US deliveries

\$18.1M

CONUS Buying Offices

- Boston MA
- Philadelphia PA
- Jessup MD
- Birmingham AL
- Nashville TN
- Kansas City MO
- Denver CO
- Ft Worth TX
- San Diego CA
- Los Angeles CA

Commercial practices



Common Food Management System

- Services agree to develop one common web-based system tied to STORES to replace existing Service systems
- Moving to replace STORES NT with STORES Web
- DLA supports CFMS and has approved funding FY05 thru FY11
- Deployment scheduled FY06 thru FY10



Electronic Commerce Initiatives

- Electronic invoicing web site for produce vendors
 - Already 600 vendors
- Electronic invoicing web site for market ready vendors (dairy and bakery)
- Receipt reconciliation tool for vendors utilizing electronic invoices
 - Implemented March 2004



BSM Implementation

- Concept demonstration initiated Aug 2002
 - Bringing stability with system changes and re-engineered business practices
- Release 1.1 implementation to bring all of Subsistence under BSM
 - Implementation scheduled Nov 2003 through Jul 2004
 - Release 2.0 functionality to be implemented Aug 2004
 - Incorporates electronic invoicing initiatives and reconciliation tool



Subsistence Readiness...



**taking care of
warfighters and
their families**

**Ready, willing & able to meet
warfighter needs around the globe**