

PSM

July 26, 2005

NOTICE TO THE TRADE – DeCA NOTICE 05-132

SUBJECT: Off-Shelf Merchandising Display Units

The purpose of this Notice to the Trade is to clarify the Marketing Business Unit (MBU) policy on the presentation of all off-shelf merchandising units to include clip strips, racks, and coolers.

The MBU has learned that manufacturers continue to make off-shelf merchandising presentations at the region, zone, and store level. This has been done without the approval of the Agency and without consideration to the promotional package, the promotional matrix, and the MBU managed rack program. This is not only contrary to the principals of category management but also undermines the efforts of the MBU to properly manage the stock assortment of products sold in the commissaries.

Effective immediately, Industry must remove any off-shelf merchandising display units not approved by the MBU. All promotional activities must be presented directly to the MBU. This includes trade, performance, and other non-trade dollars. Any vendors not complying with this policy may be denied promotional participation at the MBU.

In order to continue to improve our savings and sales objectives, the MBU must carefully manage these promotional opportunities and ensure that available funds are not diluted. This can only happen when all offers are presented to the MBU.

Points of contact are Delbert L. Myrick, Deputy Director of Sales, at (804) 734-8240 and Mary Michael, Promotional Manager, at (804) 734-8228.

/s/  
Scott E. Simpson  
Chief Operating Officer