



Mission: Feed People

Full Operational Life Cycle Support

Mission:

**Individual
Field**

**Group
Field**

Garrison

Product:

MRE

UGR

**Prime
Vendor**

Military Ops:

- Deployments
- Training

- Deployments
- Training

- Dining
Facilities

**Analogous
civilian ops:**

- Fire
Jumper
- Prison
work crew
- Border
patrol

- Fire base
camp
- Prison
base camp

- Prisons
- Schools



Economy of Scale New Product Introduction

Proprietary Product



MRE

- Quality
- Technology
- Name brand recognition
- Proven track record

Companion Products

- Survival ration
- Cold weather ration
- Religious ration

Derivative Products

- *Tailored Operational Training Meal*
- Humanitarian Daily Ration

New Market Products

- Fire Jumper meal
- Prison Work Crew meal
- Border Service Detention meal

???

Increase revenue... decrease cost



Product Development: Tailored Operational Training Meal (TOTM) National Guard

- Tailored to mission: Train as we fight
- Tailored to price point: @approx \$4.00
- Tailored to operational strategy: DVD to USPFO
- Initial test product sent to market
- Response to date very positive



Individual Field Feeding: Supply Chain Management

MRE

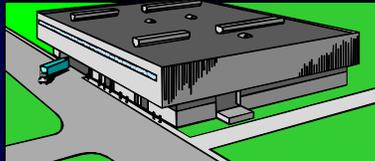


- GFM components
 - 35 items
 - \$33M annual acquisition
 - 20 contracts
 - 40 delivery orders
- CFM components
 - 54 items
- Assembly

FOB origin

GBL shipping

Storage



- Organic



- Commercial



- Prepo ships

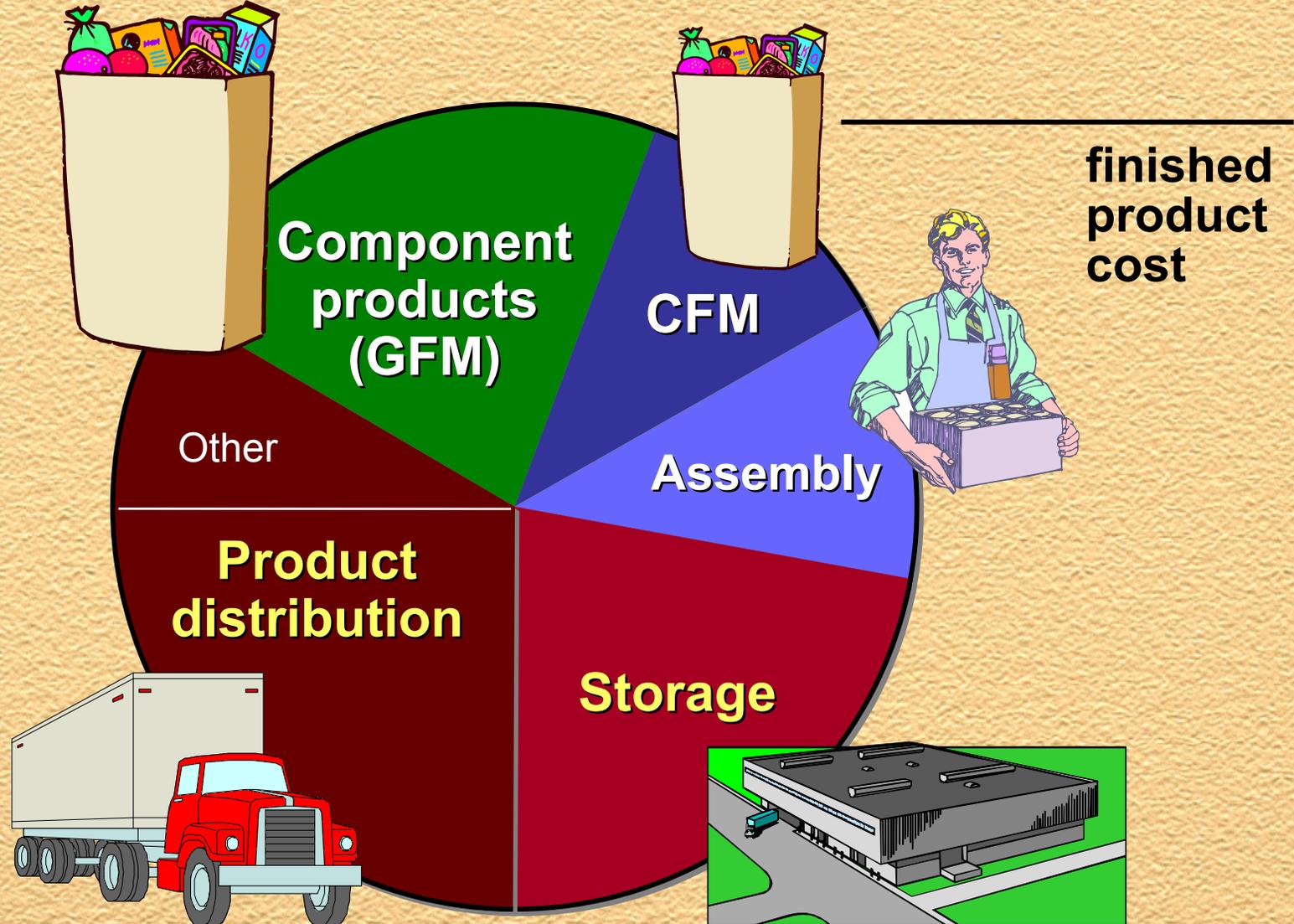
GBL shipping

End User





Individual Field Feeding Ownership Costs





Subsistence Mission:

**Class I
Supply Chain
Integrator**

**Force
Food
Provider**

Class I Readiness Agent

Directorate of Subsistence

Tony Cosenza

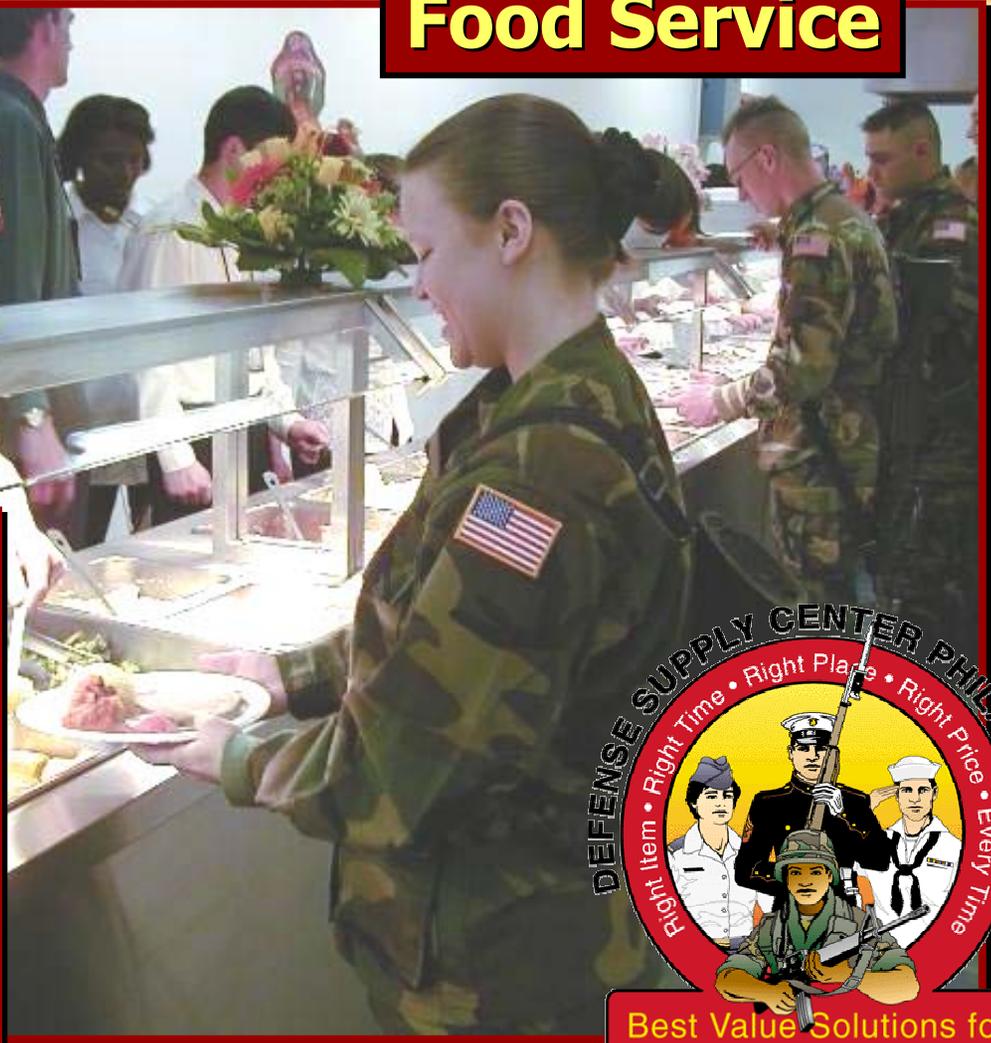
Chief: Individual Feeding Branch



Food Service



Produce



Operational Rations



Best Value Solutions for America's Warfighters



Operational Rations Support



Best Value Solutions for America's Warfighters



Produce Support

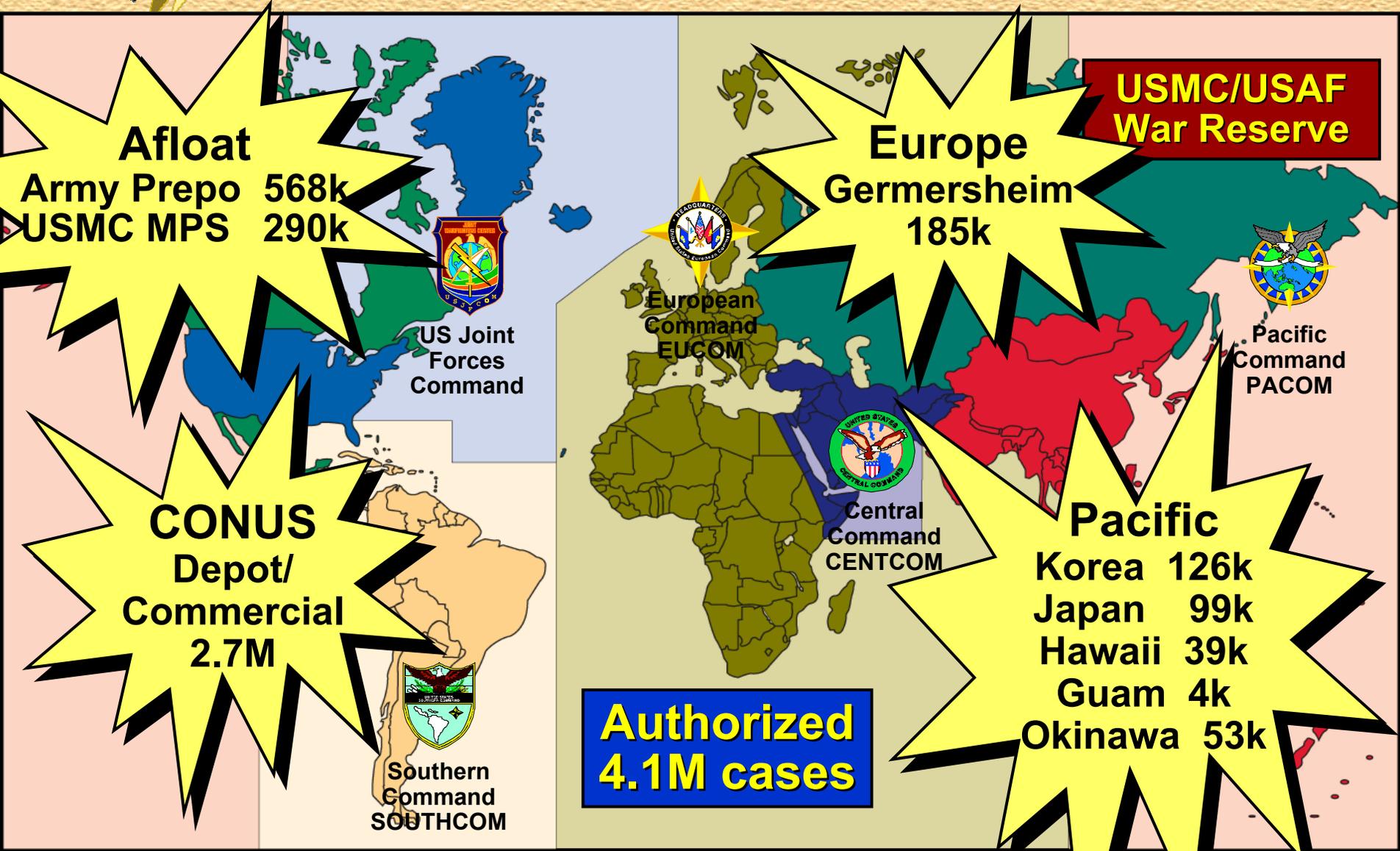
The Federal Government's produce provider of choice!



Best Value Solutions for America's Warfighters

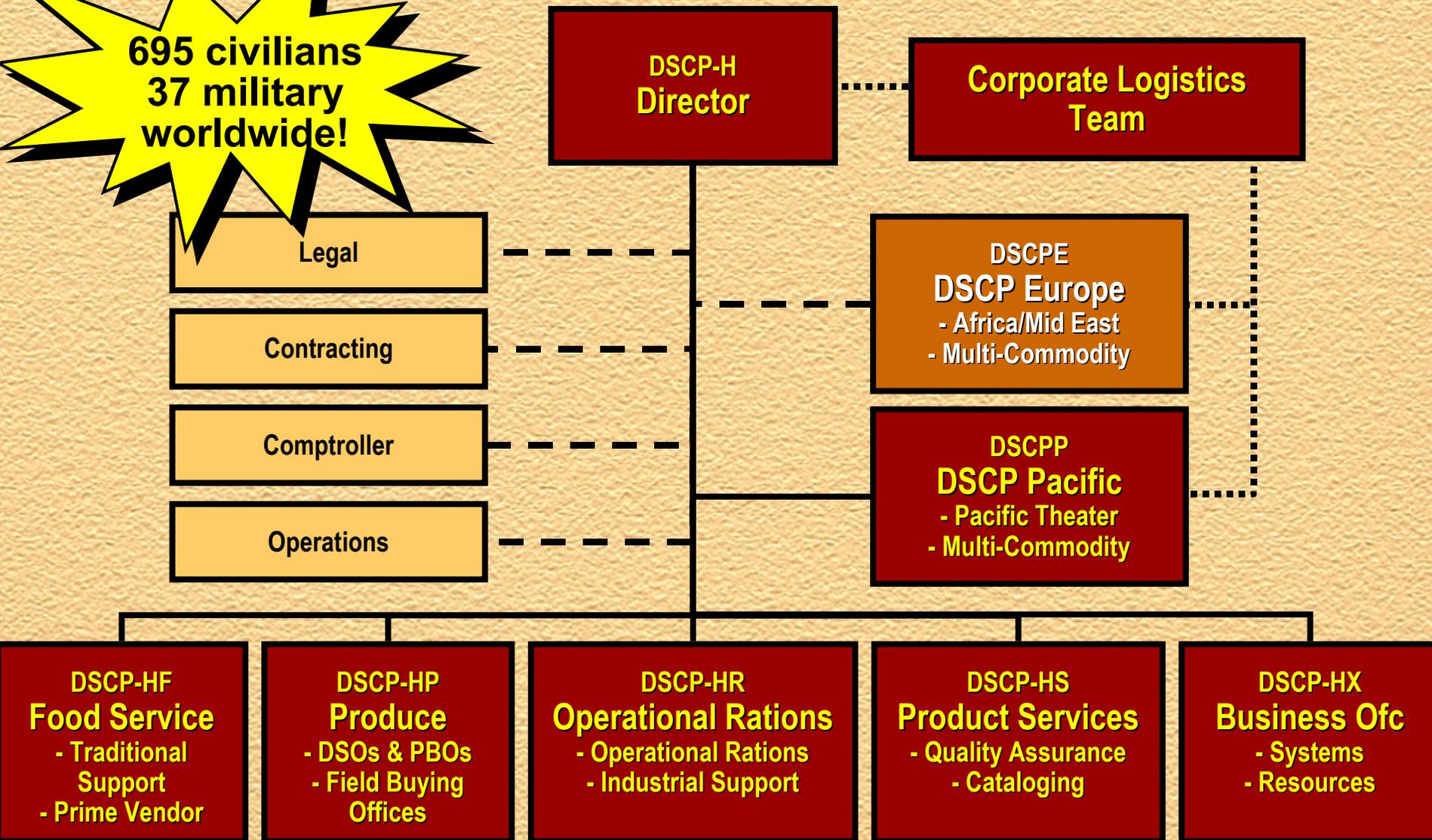


DLA Worldwide MRE Management (cases)



Subsistence Organization

**695 civilians
37 military
worldwide!**



1 Jun 00... DSCPE transferred to DSCP Command



Subsistence Commodity Initiatives

Operational Rations

- War reserve mgmt
- Unitized Group Rations CONUS/OCONUS
 - UGR-Heat & Serve
 - UGR- A
- Strategic Packaging (STRATPAK)
- Humanitarian Daily Rations
- Nat'l Guard/Reserve Component Outreach
- Industrial Base Enterprise (IBex)
- Virtual Wartime Visibility (VWV)



Food Service

- Prime Vendor SW Asia
- Full Food Service Support
- Surcharge vs. Savings
- Subsistence Total Order & Receipt Electronic System (STORES)
- Food Service equipment



Produce

- Fully privatized commercial business practices in CONUS
- Source loading from US growing fields to overseas
- Increase Pacific support
- Field-to-checkout counter
- Electronic ordering for DeCA through Internet
- USDA School Lunch Program





Subsistence Worldwide Support

Strategic Theater (Class I) Asset Map

Joint Deployment & Rapid Distribution

PACOM

JOINT FORCES COMMAND

EUCOM

Japan

- MRE (Army/DSCP)
- UGR-H&S
- UGR-A
- HDR
- Produce
- Prime Vendor
- Water & Ice

Hawaii

- MRE (Army)
- UGR-H&S
- UGR-A
- HDR
- Produce
- Prime Vendor
- Water & Ice

Korea

- MRE (Army)
- UGR-H&S
- UGR-A
- HDR
- Produce
- Prime Vendor
- Water & Ice

Okinawa

- MRE (Army/DSCP)
- UGR-H&S
- UGR-A
- HDR
- Produce
- Prime Vendor
- Water & Ice

CONUS

- MRE
- UGR-H&S
- UGR-A
- HDR
- Produce
- Prime Vendor
- Water & Ice

SOUTHCOM

- MRE (Army)
- UGR-H&S
- UGR-A
- HDR
- Produce
- Prime Vendor
- Water & Ice

Europe

- MRE
- UGR-H&S
- UGR-A
- HDR
- Produce
- Prime Vendor
- Water & Ice

CENTCOM

Prepo Ship
MRE Reserve
9.7M meals total

SW Asia

- MRE (Prepo)
- UGR-H&S
- UGR-A
- HDR
- Produce
- Prime Vendor
- Water & Ice

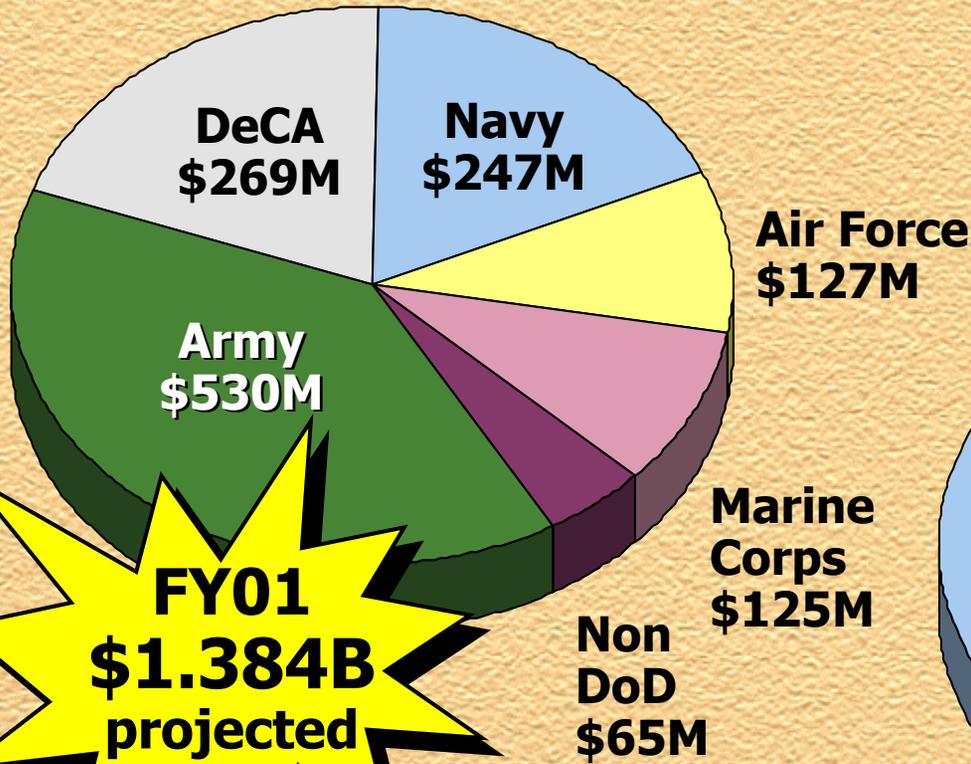
- Sufficient theater stocks
- 1-14 day delivery
- Over 14 day delivery



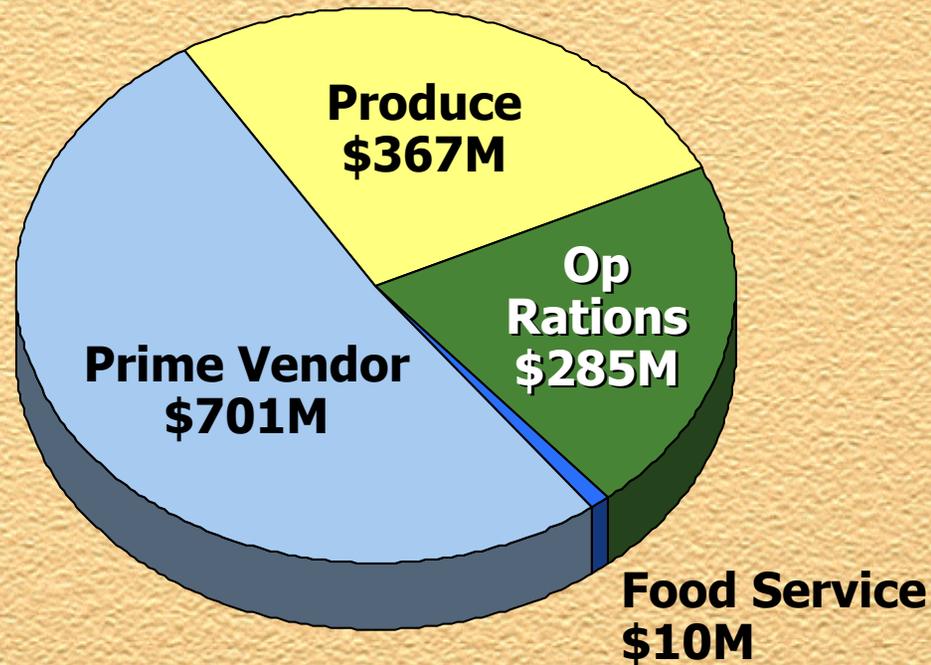
FY00 Subsistence Business \$1.363 Billion

Warfighter + **Other**
\$1.029B + **\$334M** ⇒

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



FY01
\$1.384B
projected





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Directorate of Subsistence

Total Inventory

FY91	\$471M
Sep 00	\$222M

- 62 Prime Vendor contracts
- 12 regions worldwide
- 1500 core items over 12,000 PV items

The Big Picture

Sales

FY98	\$1.2B
FY99	\$1.2B
FY00	\$1.4B

Personnel

	Military	Civilian
CONUS	14	512
Europe	15	114
Pacific	8	69



The Produce Evolution



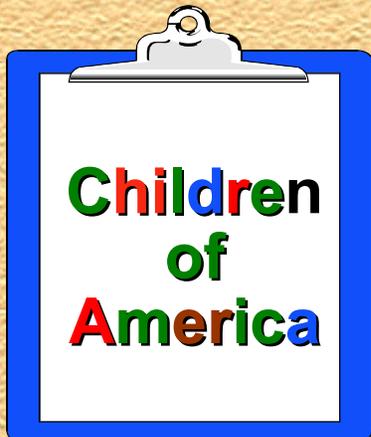
- Acquisition methods
 - ◆ All Best Value - quality/affordability
 - ◆ Terminal markets
 - ◆ Growing fields
 - ◆ Decentralized markets



- Logistics management
 - ◆ 100% stockless system
 - ◆ All DVD and DML



- Small Business Advocate
 - ◆ Buy American





What We Want to Leave You With

- Specific performance objectives & goals tied to strategic-level vision
- Actively engaged in warfighter interface
 - ◆ Understanding warfighter requirements
 - ◆ Explaining our capabilities
 - ◆ Ensuring readiness capabilities
 - ◆ Strategic-level visits
 - ◆ Tailored Logistics Support Packages (TLSPs) developed/implemented
 - ◆ Surge plans developed/implemented in TLSPs
- Expanded forward presence
- Significant progress transitioning from depot to commercial distribution
 - ◆ FY96-98 CONUS prime vendor implemented
 - ◆ FY99 OCONUS prime vendor implemented
 - ◆ FY00 Award 2nd round Prime Vendor contracts
- Southwest Asia FY01 implementation



Our Bottom Line Up Front

- Implementing JV2010/Focused Logistics tenets in support of the military services
- Providing readiness dividend to the war fighter
 - ◆ Reduced Inventory
 - ◆ Reduced Infrastructure
 - ◆ Reduced Cost
 - ◆ 24-48 Hour Delivery
- Expanding our forward presence
- Expanding our strategic partnering with CINCs and Services
- Focused Logistics War Games setting direction
- Implementing supply chain integration / 3rd party logistics solutions



Unitized Group Ration



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UGR-A Roll Out



★ UGR H&S unitization



Roving Sands

Bright Star

Joint Services Operational Rations Forum (JSORF)

- A-Option
 - CONUS roll out awarded
 - Germany, Hawaii & Korea rolled out
- Heat & Serve Option
 - CONUS & OCONUS
 - Army, Air Force & Navy on board
 - Marine Corps testing concept



UGR-A



**UGR-A
Hammer
Award!**

**Joint deployment &
rapid distribution**

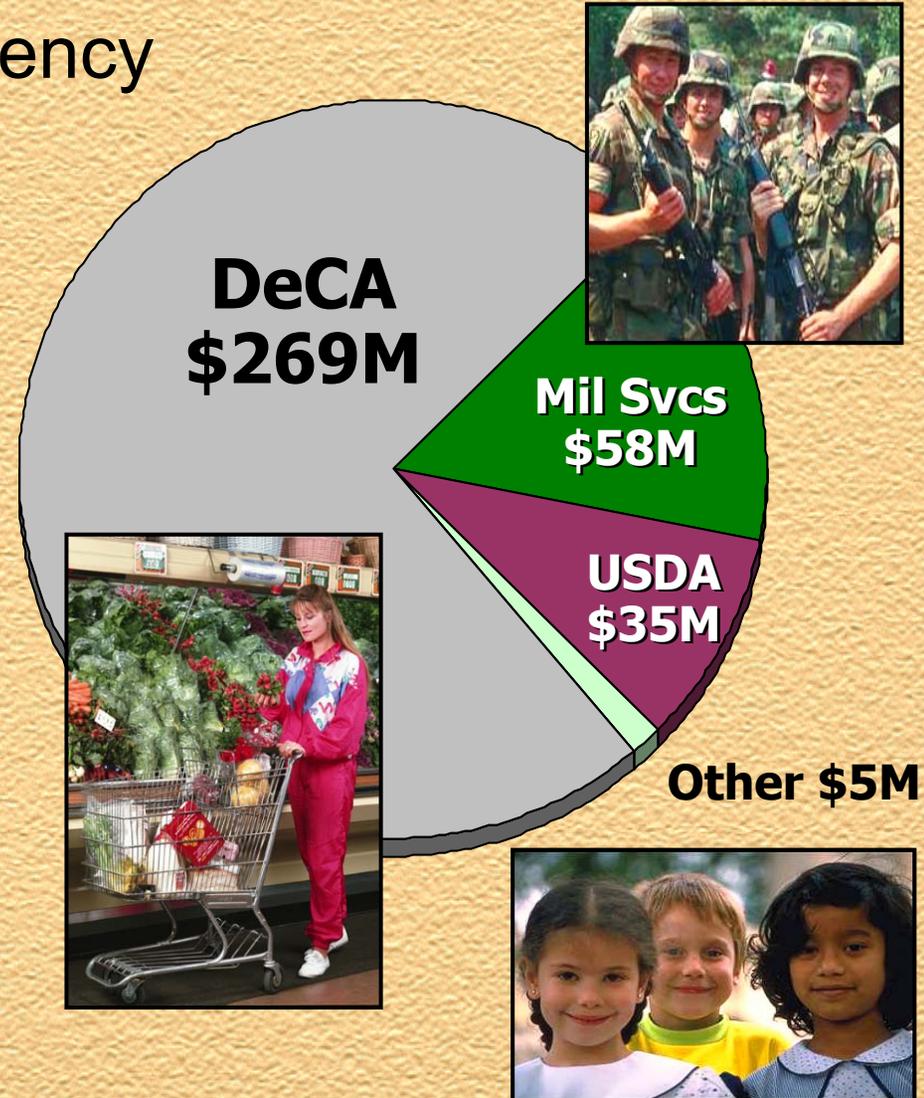
**National Guard/Reserves
now on board!**



Produce's Customer Base

\$367M Annual Sales

- Defense Commissary Agency
- Military Services
- MWRs/Exchanges/
Reserve Units
- USDA Programs
 - ◆ School Lunch Program
 - ◆ Federal Indian
Reservation Project
- VA Hospitals, Prisons,
Job Corps





Subsistence

What You Get for Your Money

Logistics Support

- Supply chain integration
- Subsistence Prime Vendor
- Produce
- Operational Rations
- STORES

DLA Investments

- Industrial base management
- Virtual Wartime Vendor (VWV)
 - Investment leverages \$89k Inventory \$200M
- Industrial Base Extension (IBex)
 - Investment leverages \$200k OCONUS inventory \$?B
- War reserve materiel
- CORANET investment \$1.8M

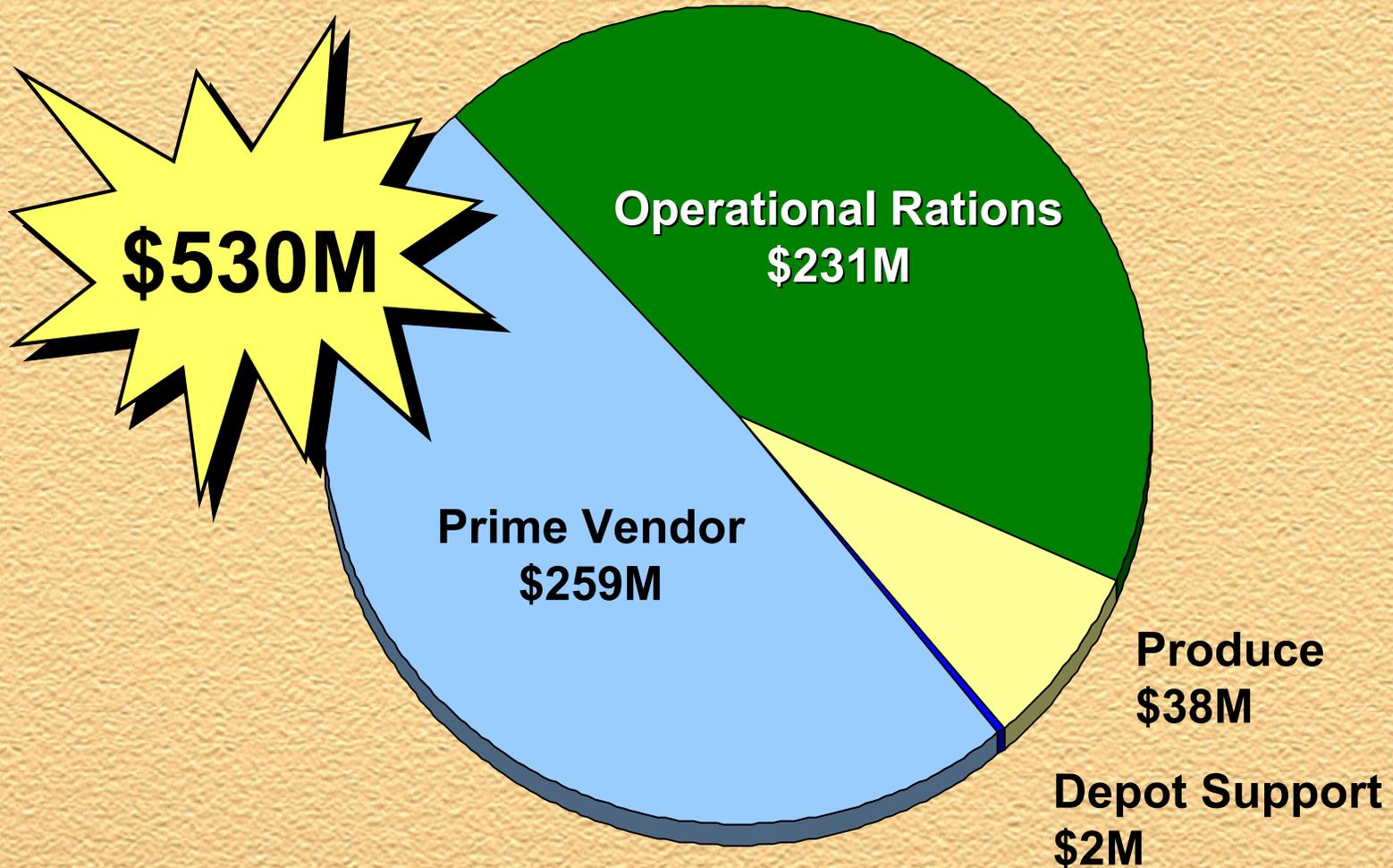
Readiness

- Emergency Response Planning
- 24-48 hour LRT worldwide
- Surge options
 - 100-200% inventory increase
- Forward support
 - 320 personnel Pacific and Europe
- One system for all warfighters, war and peace
- War reserve management
- Worldwide MRE management
- Joint ration planning

Supply Chain Mgmt



Subsistence FY00 Sales Army





Operational Rations Business Unit

January 12, 2001

