



Commodity Management

Commodity Manager

A commodity manager leads commodity management (CM) strategies for country offices implementing food assistance interventions. Generally the commodity manager is based at the organization’s headquarters. The commodity manager oversees and manages commodity and warehouse officers, sometimes known as storekeepers.

The commodity manager’s core competency areas include:

1. Commodity management
2. Logistics network design
3. System set up (execution)
4. Warehouse operations
5. Transport management (if applicable)
6. Distribution management (if applicable)
7. Inventory management and control
8. Staff management, capacity assessment, coaching, and mentoring
9. Port operations (if applicable)
10. Monetization (if applicable)

1. Commodity Management
1.1 Understand the basic concepts and purpose of CM.
1.2 Understand the role of CM in food security and food assistance programs (e.g., general feeding, supplementary feeding, Food for Work/Assets, school feeding, maternal and child health and nutrition, local and regional purchase, others such as vouchers).
1.3 Understand the need for operational relationships (coordination) with other functions within and outside the organization (like consortium partners).
1.4 Know applicable regulations pertaining to the award specifically related to CM (22 C.F.R. 211) ¹ , reporting, and other topics, as applicable.
1.5 Review and contribute to the update/edit/customization of relevant (or pertinent) CM manuals or guides.
1.6 Understand donor compliance and its implications.
1.7 Understand the need for timely or regular review of CM.

¹“1. Commodity Management” continued on next page

1. Commodity Management (continued)

1.8 Be familiar with the Sphere Humanitarian Charter and Minimum Standards², the NGO Code of Conduct³, Do No Harm⁴, and beneficiary protection issues.

1.9 Understand contractual obligations, e.g., for review and negotiating contracts with transporters, surveyors, clearing and forwarding agents, warehousing contracts.

1.10 Understand donor financial regulations, including allowable and disallowable costs.

1.11 Demonstrate the capacity to work effectively with all stakeholders, including auditors from donors and headquarters.

2. Logistics Network Design

2.1 Know the different components of logistics network planning.

2.2 Identify supply and demand points.

2.3 Identify operational challenges and strategize ways to address them.

2.4 Select and set up warehouse and transport operations that meet all criteria.

3. System Set Up (Execution)

3.1 Identify requirements for staffing and for systems and processes for efficient CM.

3.2 Set up appropriate systems and processes to meet requirements, including distribution, post distribution monitoring, and software applications.

3.3 Train staff on systems and processes to enable them to maintain the systems.

3.4 Design and implement a monitoring system and troubleshoot to fix system malfunctions when necessary.

3.5 Oversee staff, processes, and systems to ensure coordinated management of commodities.

3.6 Establish a system to submit accurate and timely reporting to the donor and headquarters.

3.7 Prepare and analyze the commodity pipeline, monitor the burn rate, and forecast commodity requirements.

3.8 Manage and dispose of (and/or sell) empty bags, containers, and unfit/damaged commodities.

3.9 Establish safety and security procedures for the warehouse and staff.

3.10 Establish a performance monitoring system for service providers, such as the security company, the transporter, the labor contractor, the clearing and forwarding agent, a surveyor.

4. Warehouse Operations

4.1 Determine requirements, identify, and set up warehouses, including handling, storage, and safety equipment.

4.2 Draw up the warehouse layout and establish procedures for smooth receipt, storage, and dispatch of commodities.

4.3 Establish warehouse control systems to avoid commodity pilferage.

4.4 Hire and train staff to manage warehouse operations.

4.5 Introduce record keeping, commodity accounting, and reporting systems.

4.6 Practice integrated pest management, including preventive and corrective measures.

4.7 Monitor food quality.

4.8 Adhere to warehousing best practices, including good housekeeping, ventilation, use of pallets, proper stacking, fumigation, and rodent control.

5. Transport Management (if applicable)

5.1 Determine and periodically assess transport needs for delivery of commodities to the secondary warehouses and distribution points, including modes of transport and identification of primary and secondary transporter, where applicable.

5.2 Identify constraints and determine routing for delivery of commodities while obtaining optimal use of resources.

5.3 Develop and introduce controls to minimize/mitigate transit and other handling losses.

5.4 Develop and introduce systems to manage reverse logistics of undistributed food for efficient commodity accounting and management.

5.5 Monitor and analyze the performance of transport providers.

6. Distribution Management (if applicable)

6.1 Identify, verify, and register recipient beneficiaries.

6.2 Establish a beneficiary tracking mechanism.

6.3 Establish criteria for selection of final distribution points and set up memorandum of understanding.

"6. Distribution Management (if applicable)" continued on next page

6. Distribution Management (if applicable) (continued)

6.4 Set up the distribution process, including forming the distribution committee, on-site/end-use monitoring and reporting.

6.5 Set up a community feedback/complaint mechanism.

6.6 Ensure the security of commodities at distribution points, both for storage and during distribution.

7. Inventory Management and Control

7.1 Know the Generally Accepted Commodity Accountability Principles (GACAP).

7.2 Know USAID and USDA requirements on proposal submission, commodity accounting and reporting like Annual Estimate of Requirements, ordering commodities, Commodity Status Report, Recipient Status Report, Damaged and Misused Commodity Report, Loss Status Report, and information systems (e.g., QWICR, WBSCM).

7.3 Monitor stock movement and analyze, verify, and reconcile stock records.

7.4 Review loss handling and documentation and institute systems to mitigate losses, including disposal of unfit commodities.

7.5 Initiate and follow up on marine loss settlement through surveyor discharge reports in coordination with headquarters and U.S.-based Freight Forwarders.

7.6 Introduce appropriate control mechanisms for management of commodity inventory.

7.7 Organize and retain commodity records according to donor guidelines and organization policies.

8. Staff Management, Capacity Assessment, Coaching, and Mentoring

8.1 Set performance standards for CM and logistics staff.

8.2 Establish performance monitoring and measurement systems.

8.3 Determine capacity gaps and design appropriate capacity-building programs.

8.4 Provide timely feedback, advice, and support and motivate staff to improve performance.

8.5 Incorporate gender considerations in all aspects of CM.

8.6 Conduct regular warehouse inspections and follow up on recommendations/findings.

8.7 Coach/mentor staff on CM in emergencies.

8.8 Arrange warehouse safety drills and conduct a warehouse safety compliance inspection on a regular basis.

9. Port Operations (if applicable)

9.1 Understand import procedures and regulations governing humanitarian aid relief/assistance commodities.

9.2 Know port operations and procedures, especially related to handling food commodities and security measures.

9.3 Know required documentation for duty free import of food for distribution.

9.4 Work effectively and collaboratively with shipping agents, stevedores, port authorities, clearing and forwarding agents, surveyors, and customs.

9.5 Visit the port as required and when necessary.

10. Monetization (if applicable)

10.1 Understand the context and implications of a Bellmon determination by the mission director. Interpret and use market survey reports for monetizing commodities.

10.2 Use market data and continually monitor local market activity to analyze production and importation levels of monetization activities and to forecast potential and probable sales and price information.

10.3 Supervise monetization of commodity importation, warehousing, inventory accounting, transport, and dispatch of monetized commodities.

10.4 Conduct commodity tender sales; negotiate with buyers; prepare contract documentation; secure bank guarantees; oversee and manage sales; be capable of calculating, monitoring, and reporting on actual cost recovery results and on the payment process of monetization commodities; and reconcile/manage monetization proceeds.

10.5 Supervise compliance of the sales agreements.

10.6 Be familiar with the Monetization Field Manual and the concept of Usual Marketing Requirements.

10.7 Understand financial concepts such as letters of credits and bank guarantees and their advantages/disadvantages/liabilities.

The Core Competency Series was developed by staff from The Technical and Operational Performance Support (TOPS) Program with significant contributions from the various task forces of the Food Security and Nutrition (FSN) Network. The series intends to provide hiring managers, program managers, and program staff with explanations of the basic skills and knowledge senior technical staff may possess to carry out their positions effectively. Official job titles, functions, and requirements may vary based on organization and program.

Endnotes

- ¹ 22 CFR 211, also known as *Title 22 Part 211–Transfer of Food Commodities for Food Use in Disaster Relief, Economic Development and Other Assistance*, can be found at <http://www.gpo.gov/fdsys/pkg/CFR-2011-title22-vol1/pdf/CFR-2011-title22-vol1-part211.pdf>.
- ² The Sphere Handbook: *Humanitarian Charter and Minimum Standards in Humanitarian Response* can be found at <http://www.sphereproject.org/handbook/>.
- ³ The NGO Code of Conduct can be found at <http://ngocodeofconduct.org/>.
- ⁴ The Do No Harm principle is discussed in the United Nations *Civil Affairs Handbook*, “Chapter 5: Guiding principles for civil affairs work,” which can be found at <http://www.un.org/en/peacekeeping/documents/civilhandbook/Chapter5.pdf>.
- ⁵ The *Monetization Field Manual for Office of Food for Peace Title II Programs* is available at <http://www.usaid.gov/documents/1866/monetization-field-manual-usaid-office-food-peace-title-ii-programs>.
- ⁶ The concept of Usual Marketing Requirements is discussed in 7 CFR 1499.6, which is available for reference at <http://www.gpo.gov/fdsys/granule/CFR-2009-title7-vol10/CFR-2009-title7-vol10-sec1499-6>.



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