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| **Annual Estimate of Requirements (AER)** | The statement of the tonnage of commodities proposed by the Awardee for approval for the upcoming fiscal year, which lists when during the upcoming year the commodity will be called forward from the U.S. The AER is based on a commodity pipeline analysis.  While the AER basically requests data for one full fiscal year, estimated requirements for the period October 1 to January 30 of the following year (in other words, a total estimate for 16 months) is required to ensure a continuous pipeline. |
| **Audit** | An examination of an organization’s accounts, processes, functions, and performance to produce an independent and credible assessment of its compliance with applicable laws, policies, accounting standards, and regulations. It is a quality assurance activity designed to add value and improve an organization’s operations. A unit reporting to management usually undertakes internal auditing. External auditing is conducted by an independent professional firm. |
| **Award** | An agreement between FFP and the applicant organization, describing the proposed use of commodity. Awards typically include indicators and results, a budget, and other terms and conditions applicable to the work performed under the Award. |
| **Awardee** | The entity (such as a PVO, a cooperative, or another private or public agency) that enters into an agreement with the U.S. Government to use Title II agricultural commodities and/or funds, including local currencies |
| **Beneficiary** | A person who benefits from a FFP-funded program, such as someone who receives training, technical assistance, or other services funded under a Title II program. However, if no food rations are provided, the beneficiary is not classified as a recipient. (See “Recipient” definition below.) USID FFP currently uses the term “project participant” instead of beneficiary. |
| **Best if Used By Date (BUBD)** | The date until which the commodity is expected to retain its quality. Commodity may be good even after the BUBD, but it is advisable to get the product tested after this date before deciding to distribute it. BUBD is based on the commodity shelf life, or the average amount of time a specific commodity may be stored without nutritional or organoleptic (sensory) deterioration. The shelf life, and therefore the BUBD, can be shortened by poor storage practices. |
| **Bonded warehouse** | A warehouse authorized by local customs officials for the storage of commodities on which payment of duties is deferred until the commodities are removed |
| **Branding** | The process of developing an identity for a product or service using images and words, such as logos and slogans, to evoke a positive emotional response in targeted audiences |
| **Break bulk commodity** | Commodity that is pre-packed in individual containers (e.g., bags, tins), stacked in the ship’s hold, and discharged from the vessel to the dock by crane or manual labor |
| **Bulk commodity** | Loose commodity that is loaded directly into a ship's hold. It is either bagged in the ship’s hold before discharge, or transferred by vacuum equipment from the hold and bagged by machine on the dock. Bags may be shipped with the commodity or, with FFP approval, purchased locally. |

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| **Call forward**  (see also: **Sales order**) | A request to the donor (online, through USDA’s WBSCM commodity procurement system) for delivery of a specified amount of commodity to a particular country program for use at specified periods of time. Once approved, the donor procures the commodity and arranges with the PVO for shipment to the particular country office.   * A call forward is based on a commodity pipeline analysis and the quantity of commodity planned for distribution. * A call forward generally covers projected quarterly needs although intervals may vary depending on program need. * Submission deadlines are listed in the annual projected schedule established by the donor. |
| **Cargo** | Goods (such as commodities) carried on a ship, aircraft, or vehicle |
| **Cargo availability report (CAR)** | A report, available to the public, detailing USDA commodity supplies, tonnage, local port, and date of availability |
| **Carryover** | Food assistance commodities or funds unused during a fiscal year that are transferred to the budget or planning levels for the following financial or reporting year |
| **Claim** | The right an Awardee has against a third party as a result of an event, for which the third party is responsible, that caused a loss, damage, or misuse of commodity |
| **Claims report** | A report required for every post-shipping loss over $500. The report documents the value of the claim, communication between the Awardee and FFP officers regarding the claim, amounts paid on the claim, and administrative costs incurred by the CS to pursue the claim. |
| **Clearing & forwarding (C&F) agent** | A third party who facilitates the receipt, customs clearance, and forwarding of international consignments to the Awardee at designated destinations |
| **Close-out** | The close-out of an Award is the process by which USAID determines that all applicable administrative actions and required work have been completed by the Awardee and USAID. |
| **Commodity status report (CSR)** | A summary of receipts, dispatches, losses, and reconciled physical inventories for commodity stored in all warehouses during a given period of time. Awardees prepare one consolidated CSR for all program warehouses (including recipient agency warehouses) each quarter. |
| **Commodity unfit for human consumption** | Commodity that has been analyzed by a public health inspector (or an authorized chemist or laboratory) and certified to be inedible for humans |
| **Containerized commodity** | Commodity that is shipped in 20- or 40-foot containers, sealed in the country of export so that no entry is possible without detection. Containers are either opened and the contents removed for customs clearance at the port, or they are transported to a receiving warehouse for inspection and storage. Shipping commodity in containers greatly reduces handling-related losses and may protect commodity from moisture-related damage. However, containers should be ventilated or desiccants should be used to absorb moisture inside. |
| **Cooperative agreement** | One of two methods the USG uses to provide assistance. The USG uses this method when it wishes to retain substantial involvement in a project. |
| **Damage** | Deterioration in the quality of a commodity. Damage includes commodity spoilage or contamination, and infestation of insects. |

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| **Damage or Misuse of Commodities Report (DMCR)** | A required report for any loss that occurs as a result of a post-shipping incident, if the loss is valued at $500 or more. The report records information on the loss incident, the type of commodities affected, the type of loss, the reason for the loss, liability for the loss, and claims filed. In addition to completing the DMCR, Awardees must also submit a claims report. |
| **Delayed shipping** | A practice that occurs when an Awardee places a call forward requesting a U.S. load port date later than the traditional procurement schedule. For example, in the traditional procurement schedule, if a call forward was entered in WBSCM by May 10 and approved by USAID for the June purchase, it would have a July U.S. load port date. In the delayed shipping practice, the call forward that was entered in WBSCM by May 10 and approved by USAID for the June purchase may have an October U.S. load port date. Commodity requests are entered based on the standard call forward schedule, but the date by which the commodity suppliers are required to deliver them to the specified U.S. load port is extended a maximum of two to three months beyond the standard delivery period. All commodities purchased in the current fiscal year must be loaded on board the contracted vessel prior to end of that calendar year. |
| **Delivery survey** | Official inspection report, prepared by an independent surveyor, documenting the condition and quantity of cargo that has been transported by sea when it arrives at a designated inland warehouse. The survey report is important in fixing responsibilities for losses occurring while cargo is in the custody of a port authority or during inland transport. |
| **Demurrage** | A penalty charged by ports for exceeding free time allowed for loading or unloading at a pier, or for failure to move cargo out of port warehouses within certain fixed time periods (usually 7, 15, or 30 days) |
| **Discharge survey** | Official inspection report documenting the condition and quantity of cargo discharged from a vessel (ship). An independent surveyor, who examines the cargo immediately before, during, and after it is discharged from the vessel, prepares the survey report. The survey is used to fix responsibility for losses occurring while cargo is under the care, custody, and control of the vessel. |
| **Dispatch authorization** | Document authorizing warehouse personnel to release stated quantity of commodity, on specific date(s), to specified destination |
| **Distribution agencies** | Local NGOs, CBOs, welfare agencies (such as orphanages and centers for street children), schools, or health centers that receive USG food commodities from the Awardee to distribute to eligible recipients within the Awardee's distribution system. Distribution agencies are not full Sub-Awardees (or recipient agencies), in that they generally do not independently implement Awardee-funded activities. |
| **Distribution frequency** | The interval of time between distributions |
| **Distribution list** | A subset of the master recipient list, containing data on only those individuals or households eligible to receive commodities at a given location on a given date. The distribution list contains the name of the recipient, the total number of eligible household members, the type and total quantities of commodities, and the ration card number. A distribution list is often used to record individuals (through signature or thumb print) who have received their distribution. |
| **Distribution plan** | A document that details the total quantity of inventory to be distributed, the expected number of recipients to be served, and the per-person ration size. The plan also informs warehouse personnel about the quantity of commodity to dispatch, the time period in which to dispatch it, and the destination. |
| **Distribution point or site** | Physical location where recipient receives commodity entitlement from the Awardee |
| **Distribution tally sheet** | A list of ration card numbers for recipients eligible to receive commodity at a specific distribution |
| **Diversion (of commodity)** | Commodity onboard a vessel destined for one program is redirected to meet the more urgent needs of another program. For example, commodities destined for the overseas pre-positioning warehouses are often diverted to emergency programs. |
| **Excess landed cargo** | Cargo that is either discharged at port or delivered to an inland destination in excess of the manifested bill of lading quantity |
| **Fiscal year (FY)** | The U.S. Government’s fiscal year begins October 1 and ends the following September 30. |
| **Food for Peace Information Bulletins (FFPIBs)** | FFPIBs communicate announcements of, or modifications to, Food for Peace policies and procedures. |
| **Food for Peace Management Information System (FFPMIS)** | A comprehensive program, proposal, and financial management system implemented by the Office of Food for Peace (FFP) to enhance the office’s program management and reporting capabilities. It provides a collaborative environment for both FFP and its partners to manage activities and programs. |
| **Force Majeure** | The title of a standard clause found in contracts exempting the parties for non-fulfillment of their obligations by reasons of occurrences beyond their control, such as earthquakes, floods, or war. |
| **Fortified blended foods (FBFs)** | Mixtures of cereals and other ingredients (such as soybeans or pulses) that have been milled, blended, pre-cooked by extrusion or roasting, and fortified with a premix and a wide range of vitamins and minerals. They include CSB (corn soy blend), WSB (wheat soy blend), and RSB (rice soy blend). |
| **Freight forwarder (also forwarder, foreign freight forwarder)** | (US side) An independent business that dispatches shipments for exporters for a fee. The firm may ship by land, air, or sea, or it may specialize. Usually, it handles all the services connected with an export shipment, including preparation of documents, booking cargo space, warehousing, pier delivery, and export clearance. The firm may also handle banking and insurance services on behalf of a client. |
| **General average** | A shipping company causes a deliberate loss or damage to cargo in the face of an imminent peril to save a ship or cargo on board. |
| **Incoterms** | A set of international rules issued by the International Chamber of Commerce to help interpret the chief terms of delivery used in foreign trade contracts. They define the rights and obligations of the seller and buyer with respect to the party responsible for packing, transport, insurance, handling, and customs clearing, and the point and time at which possession of shipped items passes from seller to buyer. |
| **Inland carrier** | A transportation line that hauls cargo between sea ports and inland points |
| **Internal control** | Procedures designed to provide reasonable assurance of adherence to compliance rules and regulations, and appropriate use and accounting for resources. Internal control includes all the measures taken by the Awardee to:   * Protect resources (including commodities) against loss, damage and misuse * Ensure accuracy and reliability in recordkeeping and reporting data * Secure compliance with the policies of the organization * Secure compliance with the terms and conditions of USAID agreement |
| **Internal control (cont’d)** | Internal controls are simply good business practices that provide reasonable assurance of achieving the objective of distributing commodity in good condition to eligible recipients. |
| **Internal loss** | A loss in quantity or quality of commodities that occurs between the time the Awardee takes custody from the shipping company and the time of distribution to recipients. This includes commodity losses during transport within the country, storage or distribution. |
| **Internal transport, storage and handling (ITSH) funding** | U.S. dollar funding through FFP to cover commodity-related expenses in country of operation. In general, ITSH is used to cover costs directly associated with:   * Moving Title II food commodities from designated ports or points of entry abroad to storage and distribution sites * Storing food aid commodities * Distributing food aid commodities   All Title II emergency programs are eligible for ITSH funding. However, development programs only qualify for ITSH funding if they operate in LDCs, as described by the World Bank’s list of the International Development Association’s eligible borrowers. FFP does not support the application of NICRA rates against ITSH costs. Specific eligible uses for ITSH funding are detailed in FFPIB 14-01, or any subsequent revisions or released FFPIBs. |
| **Letter of credit (LOC)** | An LOC is a financing mechanism for development food assistance programs whereby FFP advances funds for ITSH costs and Section 202(e) grants to an Awardee’s U.S. bank account. The Awardee then draws funds from its LOC account and reports expenditures against these advances to FFP on a quarterly basis. |
| **Lighterage** | A method of discharging cargoes from a heavy vessel that cannot (because of shallow draft port conditions) or does not come into the port area and discharge cargoes on to the dock area. When cargoes are lightered ashore, the mother vessel discharges cargo into a smaller vessel (the lighter), and the lighter carries the cargo ashore and places the cargo on the docks. The discharge of cargoes via lighters should be avoided, if possible, because individual bags of cargo are handled an additional time, increasing the possibility of damage. Additionally, lighters often do not provide adequate security from the elements or from pilferage. |
| **Loan** | The same type of commodity necessary for one U.S. food assistance program is borrowed from another U.S. food assistance program, or the host government's strategic reserves. All loans must be repaid at a later date. |
| **Loss** | A loss is a decrease in quantity of commodities. It is often defined as an incident in which commodities are discovered to be missing. Loss is the difference between the amount on the document (such as a waybill or stock ledger) and the physical quantity. Losses are often the result of shortlanding, spillage from torn bags of grain, leakage from cans of oil, or theft. A loss in documented quantity may also result from inaccurate tallying or recordkeeping, or from weighing commodity on scales that are not calibrated. Some examples of losses are marine loss, port loss, transit loss, warehouse loss or distribution center loss. |
| **Loss summary report** | A record of missing or damaged commodities, submitted on a quarterly basis for all losses occurring during the quarter. The report captures the type of commodity affected, where the loss occurred, the reason for the loss, and the quantity and dollar value of the commodity loss. |
| **Marking** | Applying graphic identities or logos to program materials or project signage to visibly acknowledge contributors. Marking identifies the organizations supporting the work. |
| **Master recipient list** | A list (preferably computerized and password protected) of each registered recipient’s name, eligibility criterion, eligibility verification information, identification/ration card number, and all additional demographic information collected during registration that is essential for evaluating eligibility for a specific program. The master recipient list is used to create distribution lists at a given location prior to each distribution. |
| **Metric ton(s) (MT)** | The standard unit of measurement for Title II commodities. One metric ton equals 1,000 kilograms. |
| **Misuse** | When a specific commodity is used for purposes not permitted under the operational plan. |
| **Operational plan** | The plan submitted by the Awardee (or potential Awardee) describing the proposed use of the commodity and/or monetized proceeds |
| **Physical count** | A verification of the true quantity of commodity in the warehouse. During the physical count, every item is counted, and that calculation is compared with the control records. |
| **Pilferage** | As used in marine insurance policies, the term denotes petty thievery (the taking of small parts of a shipment) as opposed to the theft of a whole shipment or large unit. Many ordinary marine insurance policies do not cover pilferage, and, when this coverage is desired, it must be added to the policy. |
| **Pipeline** | The amount of funds obligated but not yet spent. The pipeline is calculated by adding up all the funds spent to date and subtracting that amount from the total obligation to date. |
| **Pipeline analysis** | An ongoing planning activity that assesses all commodities on order, in transit to the country, at the port, in inventory at local warehouses, in transit to distribution sites, and available at the sites during a designated period of time. This analysis helps determine the quantities of commodity that need to be ordered to keep the warehouse(s) or distribution site(s) adequately stocked to meet program needs.  Each Awardee conducts a commodity pipeline analysis to prepare its AER and calls forward. |
| **Pipeline and resource estimate proposal (PREP)** | The PREP describes an Awardee's food aid resource needs and activities for a food aid program over the course of the upcoming implementation year. The PREP includes, among other things, an AER and commodity pipeline analysis. Changes in allocation of metric tonnage among technical sectors greater than 10 percent must be discussed with FFP before PREP submission. |
| **Port of discharge** | A port where a vessel is off-loaded and cargo discharged |
| **Port of entry** | A port at which foreign goods are admitted into the receiving country |
| **Purchase order number** | Unique number for a specific shipment of commodity, generated in WBSCM, and appearing on the CAR |
| **Quarterly Web-Interfaced Commodity Report (QWICR)** | The FFP secure, online commodity reporting system accessible to USAID Washington, USAID missions, and Title II Awardees. QWICR enables Awardees to submit CSR, RSR, LSR, and DMCR to their respective USAID missions in an accurate and timely manner. It contains standardized formats for required reports and a robust ad-hoc consolidated analysis report-generation mechanism. It allows the user to analyze submissions, track loss trends, and create tables to proactively comply with Regulation 11 monitoring, oversight, and accountability requirements. |
| **Recipient** | A recipient is a direct receiver of food assistance rations. A recipient is always a beneficiary under a Title II program. A recipient is eligible to receive commodities because of economic or nutritional condition, or otherwise in accordance with the terms and conditions of the approved Operational Plan or Transfer Authorization. |
| **Recipient (cont’d)** | For tracking purposes, program recipients should be counted once, regardless of the number of months they will receive food aid. In other words, a recipient who will receive a food assistance ration for 12 months is counted once, as is a recipient who will receive a food assistance ration for three months. |
| **Recipient agency** | Schools, institutions, welfare agencies, disaster relief organizations, and public or private agencies whose food distribution functions or project activities are sponsored by the Awardee and which receive commodities for distribution to eligible recipients |
| **Recipient status report (RSR)** | A summary of all commodities distributed to recipients during the reporting period and the numbers of recipients provided with food in each program category |
| **Reconditioning** | (see **Reconstitution**) |
| **Reconstitution** | The process of taking commodities from damaged packages (bags, cartons or containers) and filling new ones to the standard weight specified on the bill of lading |
| **Recovery** | (see **Reconstitution**) |
| **Repackaging** | (see **Reconstitution**) |
| **Sales order (SO)**  **(call forward)** | A request to the donor (online, through USDA’s WBSCM commodity procurement system) for delivery of a specified amount of commodity to a particular country program for use at specified periods of time. Once approved, the donor procures the commodity and arranges with the PVO for shipment to the particular country office.   * A sales order is based on a commodity pipeline analysis and the quantity of commodity planned for distribution. * A sales order generally covers projected quarterly needs, although intervals may vary depending on program need. * Submission deadlines for a sales order are listed in the annual projected schedule established by the donor. |
| **Shipment** | Freight tendered to a carrier by one consignor at one place at one time, for delivery to one consignee at one place on one bill of lading |
| **Shipment number** | Unique number for a specific shipment of commodity, generated in WBSCM |
| **Shipping contract** | The contract between a shipping company and the Awardee (or “consignee”) to transport commodity from the country of export to the country of import. Specific information in such a contract includes:   * Arrival site and date * Type and volume of cargo * Time period allowed and manner of discharging (off-loading) cargo * Information on whether the consignee staff or agents may board vessels (if applicable) to inspect the holds. In general, Awardee or Awardee’s agent should be present as much as possible * The party responsible for payment of handling charges * The documents required from the shipping company |
| **Shortlanding of cargo** | The difference in the quantity of cargo loaded onto the vessel and the quantity actually discharged or delivered at the receiving point. Claim to recover for loss of cargo due to shortlanding is vigorously pursued. |
| **Spillage** | A category in the USAID FFP QWICR online reporting system data entry field: Loss Reasons. This category refers to losses that have occurred because bags or tins have less weight than they should have. |

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| **Stack card** | Cards recording the receipt and dispatches of inventory on and off the stack to which they are attached. The stack card allows warehouse staff to quickly assess balances without having to physically count the commodity. |
| **Standard operating procedures** | A set of step-by-step instructions created to help staff carry out routine operations. The purpose of SOPs is to achieve efficiency and consistent quality output. |
| **Sub-Award** | Funding issued to an organization through an intermediary that manages the funds for the original funder |
| **Sub-recipient (or “sub”)** | An organization receiving financial assistance to carry out an activity or program through a primary recipient (or other sub-recipient). See also: **Recipient**. |
| **Subject to availability** | Each year the FFP agreement providing commodities to an Awardee is subject to the availability of funding to purchase the commodities (which depends on the annual appropriations) and the availability of agricultural commodities in the U.S. for purchase by the USDA. The USDA provides an annual list of the types of commodities and tonnages available for Title II programs for the upcoming year. |
| **Swap** | Commodity of one type (e.g., maize) is exchanged for commodity of another type (e.g., wheat). With donor approval, swaps may be arranged with private local suppliers. |
| **Targeting** | The means by which those eligible to receive distributions of commodities are distinguished from others in the population. Targeting is based on eligibility criteria: one or more indicators (usually demographic or socio-economic) that have been previously defined for the purpose of identifying specific regions, areas, communities, households, or individuals most in need. |
| **Tariff** | A general term for any listing of rates or charges. The most frequently encountered tariffs are: tariffs of international transportation companies operating on sea, land, and air; and the customs tariffs of countries that list duty-free goods and goods subject to import duty, giving the rate of duty in each case. |
| **Through bill of lading** | A “regular” B/L is the legal document used by shipping companies to define the terms and conditions under which they accept cargo. A through B/L allows (with local government permission) internationally procured goods to be delivered to an inland destination prior to clearance. |
| **Tolerance** | The allowable amount of variation (plus or minus) in the quantity of commodity delivered by USDA compared to the quantity requested by the Awardee on the call forward. At the point of title transfer from USDA to the Awardee, the quantity delivered must be within a tolerance of 5 percent for shipments below 10,000 MT and 2 percent for shipments over 10,000 MT. Such amounts are regarded by the USDA as completion of delivery. There is no tolerance allowed with respect to the ocean carrier’s responsibility to deliver the entire cargo loaded as cited on the bill of lading, nor for internal transporters to deliver the entire cargo stated on the waybill. |
| **Transfer (of commodity)** | A commodity allocated to one approved Title II program is used by another approved Title II program. In addition to meeting emergency needs or temporary shortages due to delays in ocean transportation, transfers may be used to improve efficiency of operation, such as to rapidly distribute stocks in danger of deterioration. The U.S. Government does not replace commodities transferred between programs unless USAID authorizes such replacement. |
| **Transfer authorization (TA)** | The document signed by the Awardee and FFP that describes commodities and the program in which they will be used. The TA incorporates Regulation 11 and authorizes CCC to ship commodities. |

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| **Transfer of commodity title** | Unless the Award states otherwise, title (which implies responsibility) to commodity passes from the USDA to the Awardee at the point in the U.S. where the shipping company takes possession of the cargo, either on the dock or on the ship itself.  Unless otherwise agreed in writing, the Awardee retains title to all commodities it subsequently transfers to a recipient agency for distribution or other use in accordance with the terms of the Award. |
| **Turnaround time (TAT)** | The time required for an empty vehicle to load, travel to its destination, unload, and return again to the starting point |
| **Vessel loading observation** | Process of monitoring the loading of ships to verify (and certify) that damaged commodity is not shipped. (Note: VLO is not conducted for bulk commodity.) |
| **Waybill** | The primary document for the receipt and dispatch of commodity into and out of all warehouses |
| **WBSCM** | The Web-Based Supply Chain Management (WBSCM) system is an integrated, internet-based commodity acquisition, distribution, and tracking system built on SAP commercial software and an Oracle platform. WBSCM supports international food and nutrition programs administered by the USDA and USAID, including Food for Peace. Access to the site is available here: <http://www.usda.gov/wps/portal/usda/usdahome?navid=WBSCM> |
| **Work plan** | Document detailing planned activities, required resources, and targets |