



Prepositioned Commodities Guide

PROBLEM STATEMENT

Prepositioned commodity strategy is a trade-off space — the cost of establishing and maintaining preposition stockpiles, the risk of holding shelf-stable commodities in volatile regions, the benefit of in-region response capacity when an unforeseen emergency strikes, and the supply-chain constraints around Cargo Preference compliance and U.S. domestic specialty-formulated commodity manufacturing capacity. USDA needs a single decision framework for that trade-off space.

WHY IT MATTERS

The Cargo Preference Act, U.S. domestic manufacturing capacity for RUTF and fortified blended foods, and the operational benefit of in-region preposition stockpiles all need to be triangulated case-by-case. Without a framework, the trade-offs collapse into ad hoc decisions that fragment FFP's strategic logistics posture.

HSG'S APPROACH

1. Document Cargo Preference Act 1954/2005 amendment-by-amendment compliance constraints and how they bind FFP preposition decisions. Map interaction with 22 CFR Part 228 (USAID-financed procurement source/origin rules) USDA is absorbing.
2. Map U.S. domestic specialty-formulated commodity manufacturing capacity — RUTF, fortified blended foods, specialty soy products — by manufacturer, lead-time, and surge capacity.
3. Build a positioning-site lifecycle cost model — storage, rotation, depreciation, write-off scenarios across major archetypes.
4. Apply the ****House Bellmon Framework**** — HSG's proprietary three-tier extension to the statutory Bellmon Analysis. Tier 1: statutory recipient-country disincentive screen (preserved unchanged). Tier 2: commercial-trade displacement effects on top 3–5 third-country exporters of the commodity to the recipient. Tier 3: U.S. strategic-alignment overlay using anchored, non-discretionary classifications (Treasury OFAC, State FTA partners, DoD National Defense Strategy, treaty-ally designations). Working preview at ffp.housestrategiesgroup.com/demos (Framework 04).
5. Integrate Bill Emerson Humanitarian Trust (BEHT) reserve-mechanism architecture into preposition decisions. BEHT activates when Title II appropriations are exhausted; preposition strategy must account for the BEHT-activation pathway.
6. Develop the trade-off decision framework integrating Cargo Preference compliance, domestic manufacturing, lifecycle cost, Bellmon-screened monetization viability, BEHT-reserve integration, and emergency response time-to-distribution.

EXPECTED DELIVERABLES

- Prepositioned Commodities Guide (PWS Deliverable 4) — month 5
- Cargo Preference Act compliance matrix (with 22 CFR Part 228 crosswalk)
- U.S. domestic specialty-commodity manufacturer capacity assessment
- Positioning-site lifecycle cost model
- House Bellmon Framework — three-tier market-disruption + strategic-alignment screening tool (HSG proprietary methodology)
- Bill Emerson Humanitarian Trust (BEHT) integration playbook
- Integrated trade-off decision framework

EXPECTED OUTCOME

USDA can make defensible preposition decisions on a case-by-case basis against a transparent framework, with documented Cargo Preference and domestic-manufacturing constraints surfaced upfront.

ENGAGEMENT TEAM

PRIMARY LEAD

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