



United States  
Department of  
Agriculture

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Marketing and  
Regulatory  
Programs

Agricultural  
Marketing  
Service

Washington, DC  
20250

***NOTICE TO THE TRADE***

It has been our goal to assist the Small Business Programs, including the 8(a) direct offers, small business set-aside, Indefinite-Delivery/Indefinite Quantity contracts, and HUBZone contracts. In keeping with this goal and, as a result of your inquiries, we have consulted members of the Office of General Counsel (OGC) concerning legislation that affects the application of the HUBZone price preference to HUBZone non-processors/non-manufacturers. The OGC attorneys have advised that only HUBZone processors/manufacturers can receive the HUBZone price preference, and a HUBZone non-processor/non-manufacturer cannot subcontract out in order to procure the commodity. Accordingly, 15 U.S.C. 632(p)(5)(iii)(cc) states that "in the case of a contract for the procurement by the Secretary of Agriculture of agricultural commodities, none of the commodity being procured will be obtained by the prime contractor through a subcontract for the purchase of the commodity in substantially the final form in which it is to be supplied to the Government."

While this change may have an adverse impact on some HUBZone vendors, we must ensure that the HUBZone Program is administered in accordance with Small Business Administration guidelines.

Sincerely,

Stephanie Wells  
Acting Branch Chief  
Commodity Procurement Branch  
Fruit and Vegetable Programs

