

## **Working with Local Fresh Produce in Retail Settings**

# Tips for Marketing Fresh Produce to Retail Grocers: Using PLU and UPC Codes

#### A Guide for Producers

What is a PLU? What is a UPC? PLU and UPC codes help retailers identify or scan your product into their cash register system. Being knowledgeable about the differences in these labels in advance of approaching a retailer may help you get your foot in the door. These codes are not only a necessity for some retailers, but also a marketing tool for your farm, because they carry information about your farm and products along the supply chain.

This informational sheet contains information adapted from the Produce Marketing Association.



#### PLU and UPC Codes

#### **PLU Codes**

A PLU code, or price look up code, is a 4 or 5 digit code that is unique to a particular produce item; based upon the commodity, the variety and the size group; and will typically appear on a small sticker that is applied to the individual piece of fresh produce. These codes are standard across the produce industry and in all retail grocers. They help cashiers identify the variety and therefore the price of a product.

For example, a hydroponic/greenhouse tomato has the PLU 4799, while a slicing tomato has the PLU 4805. The retailer may charge \$2.99 per lb for a hydroponic, but \$1.49 per lb for a slicing tomato. The different prices are transmitted to the register by PLU code. Having the sticker on the individual produce item allows the cashier to efficiently ring up each item and its accurate price.

## Do I need a PLU on my produce?

For the particular crop in question, take a look at what your local grocery store uses. Many items that have multiple varieties, such as tomatoes and apples, require a PLU code.

## What if it is not required?

Even if you grow a "single variety" item, such as watermelon or cantaloupe, which does not necessarily require a PLU, having one can help sell your product with relatively little inconvenience to your packing process. Even if the customer does not see your sign in the store, they will get your product home and see your farm name on the PLU sticker. See below for a good example of a label for watermelon.

## What is my code?

Search PLU codes here: <a href="www.producemarketguide.com/article/guide/commodity-info">www.producemarketguide.com/article/guide/commodity-info</a>.

## Where can I order a roll of stickers?

One source to buy customized PLU Codes: <a href="http://agrilabeltag.com/">http://agrilabeltag.com/</a> (approximate cost is \$9.00 for a roll of 2,500)



Example 1: PLU required for hothouse tomatoes



Example 2: Sticker/PLU can help with building a brand.

#### **UPC Codes**

A Universal Product Code (UPC) is a 12-digit bar code which provides a number of uses for retailers. Retailers use UPCs to scan items into their cash registers, to track sales, and to manage product inventory. For this last use, retailers connect your UPC to their Stock-Keeping Unit, or SKU, for that particular item stored at their warehouse. Products that need a UPC include value-added products, such as honey, berry clamshells, grape tomato clamshells, etc. These products will also need a Country of Origin Label according to the COOL law for packaged produce.



Example: 'Blueberry ABC Farm - Grown in Selma, NC - Product of USA

Unlike a PLU, which is standard for all produce growers, a UPC is specific to each company: your UPC is *unique* to <u>your company</u> and <u>your product</u>. There are two ways to get a UPC: through a reseller or by joining the GS1 system. Some retailers may require you to join the GS1 system, with an approximate \$250 membership fee (for 1-10 items needing a barcode) or \$750 membership fee (for 1-100 items needing a barcode) plus an annual renewal fee of \$50 (1-10 items) or \$150 (1-100 items), plus the print cost of the code(s). A UPC reseller is much cheaper, no membership fee applies, and the cost is about \$7 for one UPC. Before going this route, make sure that this is acceptable for your buyer—check with your buyer about which option is best.

Before speaking with your buyer, learn more about GS1 versus barcode resellers by viewing this NC Department of Agriculture and Consumer Services *Got To Be NC* Video: "Do I need a UPC Code?" http://www.youtube.com/watch?v=tNnGzwBH-1o

#### Where can I order UPC stickers?

If you ordered from a UPC reseller, you can receive the UPC image as a jpeg file from the reseller and then add this to your regular farm labels using your regular printing method, or you could order a roll of stickers through the same UPC reseller.

One reseller is "Barcodes Talk:" http://www.barcodestalk.com

If you opted to join GS1, you will be directed to Data Driver, their online tool for receiving the jpeg file and you can add this to your regular farm labels using your regular printing method, or you can order a roll of stickers from a print company recommended by GS1.

Website for GS1 system: http://www.gs1us.org/get-started/im-new-to-gs1-us.

GS1's tool "Data Driver:" http://www.gs1us.org/resources/tools/data-driver
One print company for GS1 is "Create Barcodes": http://www.createbarcodes.com/

#### **Generic UPCs:**

Less commonly used are Generic UPCs, which use a generic company prefix (033383), along with an item number assigned by the Produce Marketing Association (PMA) to serve as a UPC number (033383 - xxxxxxx).

Access to standardized, generic UPCs for fruits and vegetables is available via online subscription of \$200/year for non PMA members. Your packaging distributor may be a PMA member who will resell you the packaging with these generic UPCs on the packages. The most common example of generic UPCs is seen in the packaging available for apples and potatoes.

Caution: Some retailers will require GS1 membership even if a generic UPC is available for your product. Additionally, since this UPC is *generic* and available to all produce growers who buy from that packaging distributor, it is not *unique* to your company, meaning another grower who sells to your buyer may be using the same UPC. This will cause confusion that can negatively impact your sales and relationship with the buyer. Check with your buyer to see if this is a problem, so that you can know for certain if a generic UPC can be used.