Standards

Fruit Identification at HEB Mexico

Background

HEB is a market chain in the north of the country with more than 100 years of history committed to providing a first-class service, to having the best quality products, and always delivering freshness to every client. With over 40 points of sale, and for the last couple of years, it has undertaken identification projects with GS1 Mexico, mainly in the fresh product sector.

Fruit and vegetable identification has gained relevance, because of new eating trends in which this type of product is more sought after by the consumer, because they are considered to be natural, and in some cases organic.

Among the multiple benefits of having identified products, we have the following:

- ➤ **Reduction in Economic Losses.** Market Chains reduce merchandise charging errors.

- ➤ **Loss Reduction.** It is easier for producers to separate their merchandise from their competitors' products, in case of withdrawal from the market due to contamination (45% of the products in this sector are wasted for this and other reasons).

- ➤ **Brand Position.** The consumer obtains better differentiation between organic products.

Benefits

HEB reports the following benefits derived from the implementation of standards for the identification of Fruits and Vegetables. Some of them not only affect consumer service quality, but also economic aspects.

- 100% assertiveness in identifying and charging products

- Reduction in the number of PLU Codes to register

- Reliable indicators for decision-making

- Immediate 30% reduction in administrative losses

- Less clarifications

- Aligned inventories

Proposal of use

Since 2015, in cooperation with the Asociación Nacional De Tiendas De Autoservicio Y Departamentales, A.C. (ANTAD), Produce Marketing Asociación (PMA), and GS1 Mexico, the HEB Market Chain has implemented the identification of different fruits and vegetables with PLU and Databar standards, in accordance with the stipulations in the Retail Implementation Guide.

This guide describes each step for the correct implementation of identification standards in this stage of the supply chain.

Product identification and differentiation is a key factor for reducing food waste. For example, if Mexico used all the food that is wasted currently, a 400 billion-peso revenue would be earned annually, according to the Ministry of the Environment and Natural Resources (SEMARNAT).

Forthcoming developments

HEB is committed in 2019 to increasing the use of fruit and vegetable identification standards, as well as the Work Group that follows the Market Chain in this endeavor.

The following guidelines will permit HEB to continue differentiating itself from the competition:

- Promotion of product identification through global standards, not only with Mexican suppliers.

- Information segmented by supplier, independently of who the marketer is.

- Focus on efforts for product identification by variety (citrus fruits, tropical fruits, etc.), a formula that has already proven its efficacy.

$400 billion
annually in food waste
Source: Ministry of the Environment and Natural Resources

Conclusion

Fruit and vegetable identification generates multiple benefits for the different actors in the supply chain, and therefore, there is interest from Mexican representatives in the sector in joining the project. However, the work group must continue its strengthening and activities to eliminate the barriers that hinder producer participation.

Implementation

The implementation of the PLU-Databar standards was carried out during 2017-2018 by HEB Mexico, specifically with their Apples and Pears suppliers.

Since late 2018, 100% of these products have attained both standards, guaranteeing assertiveness in identifying and charging all the products.