

# The Halal Risk Mitigation Strategy to Guarantee the Halal Beef Status: The Case of KAR'S Beef Processing in Indonesia

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**Abstract-** The growing of halal awareness has been inflating the big halal market in the world. The article aims to get a model analysis to guarantee the halal meat. By implementing the HOR model, the research has presented the potential of halal risk event, halal risk agents, and halal risk mitigation strategy, which is the more important strategies are: (1) The vendor or the factory is obliged to issue a written manual of stunning tool; (2) The company should have to more socialize the halal policy to the hierarchy and company stake holders; (3) The company has not to use the expired date of stunning tool; (4) The company should have to rearrange halal training schedule; and (5) the need of the internal halal auditor. But, the core of strategy is making grow of halal awareness

**Keyword:** Halal Risk Event, Halal Risk Agent, Halal Risk Mitigation

## I. INTRODUCTION

For the beginning, halal products is a symbol of an Islamic religious obedience in the form of the food, drinking, and all the materials used in daily life. However, recently the halal is not a purely religious matter, but it become a global symbol represented a quality control of product and life style choice. By such mode of life, automatically, it has been inflating the demand of the halal product.

According to Muslim Population [3], there are about 2.04 billion muslim in various continent or about a quarter of world populations. The big population spreads in many countries, not only in Asia and Africa, but also in America, Europe, Australia, and Oceania. Thomson Reuter [6] predicts the expenditure for halal products will grow to a \$2,537 billion by 2019 or 21.2% of global expenditure.

Many of the giant multinational corporates catch the market opportunity. In contrary the biggest halal products exporter is dominated by the non-muslim countries, like Europe, United States, Canada, Australia, and New Zealand.

In the field of red meat, Australia is one of the biggest exporters of beef in the world. The above mentioned countries are the halal product exporter which has been quality oriented; while other big halal exporter countries, like Brazil, India, China, and Russia are the halal product giant in the world which has oriented into low price. [2]

Indonesia is one of the big muslim population which is about 200 million people, it should have to be a model of halal product provider. In this context, we need companies who become a model of halal awareness development, halal compliance, and practice halal control in each stage of product flow. This is very important because halal indeed is a yield of awareness. One of the companies who compliances the halal awareness is *PT KaryaAnugerahRumpin (KAR)*, a big company in Indonesia which produce the halal meat completely from cattle feedlot to abattoir processing. By the case study of this company, the article aim to get a model of halal meat guarantee by risk mitigation approach.

By this purpose, the article identified the halal risk event and halal risk agent to mitigate. But, of course, it has to be in the flow of products. There are at least nine halal control points (HCPs) in the flow of meat from feedlot to meat retailing. The first and the second HCP are in the feedlot that is the breeding and animal welfare. The third to the seventh HCP are in the abattoir, in stunning, slaughter person, slaughter method, knife, and invocation; while the last two HCPs are in the post abattoir, in the boning and retailing [5]. This explanation indicated the more HCPs are in the abattoir. By the fact, the article focuses on abattoir beef processing to formulate a model of halal risk agent mitigation.

## II. RESEARCH METHODOLOGY

This case study of KAR's abattoir focuses on two variables of halal risk and halal risk agent to gain a halal risk mitigation model. The measure of halal risk is by the severity level of halal risk, and the agent of halal risk is by the occurrence of the agent. The severity is not measured by the size of the impact to the loss of the company, but the halal risk is measured by the difficulty to avoid. This is because the halal food is not allowed to be contaminated by the unlawful material, even it is in a small size, and even by skin touch of pig [1]. The more difficult to avoid, the risk is gradually biggest. Therefore, the halal risk instrument is designed by the keyword "difficulty" which is elaborated in Likert scale.

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While, the instrument of halal risk agent is designed by the keyword of “common” in which it is also elaborated in Likert Scale.

The halal risk agent is analyzed by Houses of Risk-1 (HOR-1), with considering level of its occurrence and the correlation to the severity of halal risk [4], which leads to rank of halal risk agent in mitigation priority. The proposed mitigation strategy is a yield of HOR-2 analysis by considering rank of halal risk agent, degree of difficulty to perform the action, and effectiveness to difficulty ratio. The HOR itself is a model of proactive supply chain management, which consists of activities to reduce the risk agent [4]. By reducing the risk agent, automatically it will prevent the event of risk. This model is innovatively and proactively implemented to prevent the halal risk event by mitigating the halal risk agent.

### III. RESULT AND DISCUSSION

#### A. The Tracking of Halal Risk Event(HRE) and Halal Risk Agent (HRA)

The study of halal risk mitigation is started by identification of halal risk event (HRE) and halal risk agents (HRA). Terminologically, the HRE is a fact or condition which suspected to happen and give the impact to the status of meat. The HRA is also a fact or a condition that has a probability to emerge the potential of halal risk event [1]. By the fact, the main way to control a halal meat status is by preventing the occurrence of HRA.

Referring to LPPOM-MUI[1], there are at least twenty one of halal risks, which are relating to the (1) stunning, (2) slaughter person, (3) slaughter method, (4) knife, and (5) invocation. In the edicts of MUI, the stunning is a lawful practice for the halal slaughtering with several requirements. The difficulty to meet the requirement means there is still a probable halal risk. The twenty one of halal risks are compiled by the keyword of difficulty to meet the halal requirement in the mentioned above HCP [5]. The more difficult to meet indicates the company or the abattoir still get a higher potential of the halal risk.

For the abattoir which has practiced and adopted the HAS hypothetically will get the low score of difficulty. The more complete of HAS adoption will be followed by the decreasing the halal risk potential. The case of *KaryaAnugerahRumpin* (KAR)’s Abattoir in West Indonesia is one the abattoir profile which has developed the halal awareness based on the HAS 23103 and finally has gotten the halal certificate. The FGD with the abattoir administrator and staffs, guided interview, as well as the direct observation has indicated the low score of risk potential.

For the twelve questions explored in FGD as well as the guided interview, and direct observation to KAR’ activity, it gets the score of strongly easy, the lowest score of 1. The rest of nine gets the score around 3 (neutral) to 2 (easy). For more clear, the rest of nine of halal risk is presented in Table 1.

TABLE I.  
THE HALAL RISK EVENT AND THE HALAL RISK AGENT

CODE	Halal Risk Event
E1	Difficult to validate that stunning does not cause animal pain
E2	Difficult to store a record of stunning result of each cattle
A3	Difficult to avoid a stunning human error which causes a lack of halal requirement of cattle
E4	Difficult to get a halal requirement that a slaughterer should be an Islamic religiously obedient
E5	Difficult to get a halal requirement that a slaughter should own a halal certificate and identity from Islamic Institution
E6	Difficult to get a halal requirement that a slaughter should own medical record of his healthy regularly
E7	Difficult to avoid a slaughtering human error that causes a non-halal meat
E8	Difficult to form an halal awareness that the slaughter must be performed quickly and precisely without lifting the knife
E9	Difficult to form an halal awareness that the slaughter must be carried out before the animal conscious.
CODE	Halal Risk Agent
A1	There is a damage of stunning tool
A2	The stunning clerk is still less skilled
A3	There is not a manual yet to maintain the stunning tool
A4	The facilities of archives storage is still inadequate
A5	The scarcity Moslems slaughterer clerk
A6	The slaughterers have not checked their health regularly
A7	The slaughterers are too tired
A8	Halal training has not been done on a regular basis;
A9	Many company stakeholder have not been interested in understanding the halal importance

Regarding the presented data in Table 1, it also needs the further explanation. The risk of E8 and E9 indeed the slaughter is performed in one track knifing, and it is executed before the animal conscious, in a very short time. But the question is whether it is based on the skillful routine activity or based on the halal awareness. Relating to the E8 and E9, the slaughter human error is in the low probability. The human error of stunning as well as the facility to store the stunning result for every cattle, are two things that have to control. The Islamic obedience of the halal butcher as well as the routine check up of the butcher healthy are the matter which have to get the concern.

#### B. The Halal Risk Mitigation Strategy

By presenting the potential of HRE, it emerges the question about the HRA contributes to the HRE. As described in Table 1, there are gained the eight agents, from A1to A9. The list of the agent is very important to lead priority of the program to control the risk. The agent is tracked by the light of FGD, guided interview and direct observation to the administrator, staff, as well as direct observation to the KAR’s abattoir. However, it is important to note, the gaining data is based on scale of the occurrence probability of agents, which elaborated by the keyword of “common” into strongly common, common, neutral, rare, and strongly rare. The data from KAR’s abattoir indicated the tendency of neutral and rare. This is not surprising because the potential of halal risk is highly thin, the agent of risk is also infrequent. But the potential of halal risk agent is needed to formulate the model of HRA. Practically, it will be a guidance to prevent the coming of the agent and the halal risk.

For this purpose, the research furthermore attempted to gain a risk mitigation strategy. The proposed mitigation is designed by elaborating the HAS 23103 [1]. The FGD with KAR’s abattoir administrators and staff indicated 17 mitigations

which have to be considered. But, in the light of HOR-2 method [5], the research presented the sequencing of 17 mitigations strategy from the most to the less priority, as illustrated in Appendix 1. The method considered the rank of risk agent potential, total effectiveness of the action, degree of difficulty to perform the action, and the effectiveness to difficulty ratio.

By such process of methods, the proposed mitigation is divided into three categories, the most important strategy, the more important strategy, and the less important strategy. The first five strategies as the most important, include: (1) The vendor or the factory is obliged to issue a written manual of stunning tool; (2) The company should have to more socialize the halal policy to the hierarchy and company stake holders; (3) The company has not to use the expired date of stunning tool; (4) The company should have to rearrange halal training schedule; and (5) the need of the internal halal auditor.

The most important strategy is accompanied by the five more important ones, which includes: (6) the vendor is obliged to train the use & maintenance the stunning tool; (7) Need stunning officer certification with refer to the vendor; (8) Needs to increase a halal slaughterer; (9) Need a guideline for halal slaughterer; and (10) Need to certify the halal slaughterer. While, the seven less important mitigation strategies consisted the needs of: (11) a standard number of halal slaughterer; (12) a calibration of stunning tool; (13) a routine training for internal halal auditor; (14) a routine medical check up for halal slaughterer; (15) a special training before the practice of stunning; (16) to facilitate the document keeper of stunning record; and finally (17) need a training of halal slaughterer.

#### IV. CONCLUSION

Base on the KAR's experience, the HOR model could be implemented to mitigate the halal risk agent which the consequence is to reduce or even to erase potential of halal risk event. By such process, the research found out the five most important halal risk mitigation strategies in which followed sequentially by the five more important, and the seven less important mitigation strategies. But, the core of strategies are the making grow of halal awareness for all company stakeholders which is encouraged by the halal policy. The halal product company should have to adopt such model to guarantee and maintain the halal status of meat or generally the goods. By the high awareness of halal, the proposed mitigation strategy is easily implemented.\*\*\*

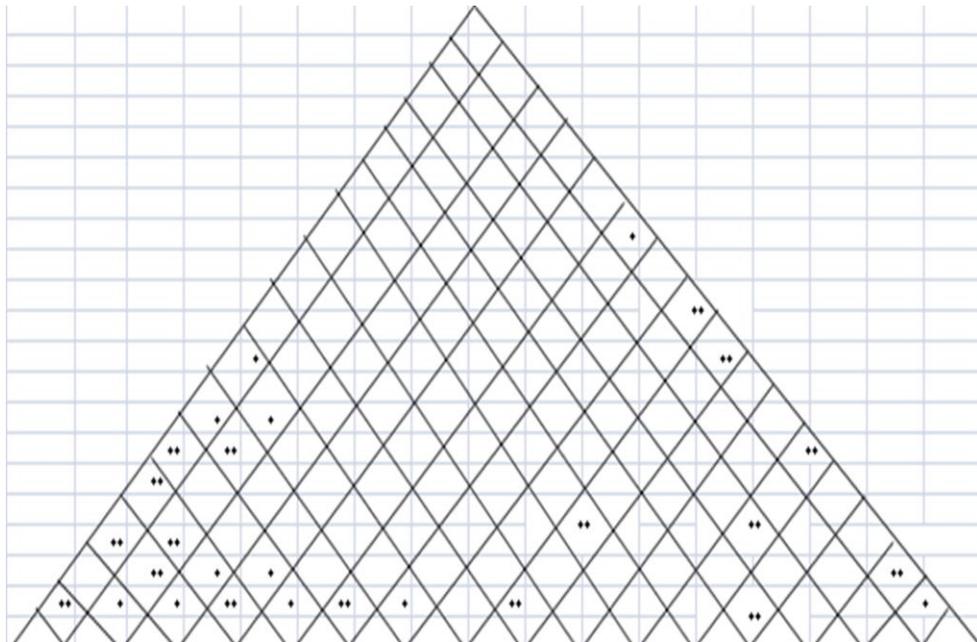
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Appendix 1. House of Risk



		M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	M13	M14	M15	M16	M17	(ARPj)
Abattoir Location, Stunning & Slaughter person	A1	9	9		3	9													315
	A2		9	9	9	9													945
	A3					9			9										270
	A4						9	9											45
	A5										9								504
	A6											9							216
Knife and Slaughter Methode	A7												9	9					369
	A8												3			9	9	9	918
	A9												9			9	9	9	216
Total Effectiveness of Action k (Tek)		2,835	11,340	8,505	9,450	13,770	405	405	2,430	-	4,536	1,944	4,698	3,321	3,321	10,206	10,206	10,206	
Degree of Difficulty Performing Action k		4	5	5	5	5	4	4	4	5	5	4	5	4	4	5	4	4	
Effectiveness to difficulty ratio		654	2,430	1,701	1,890	2,754	93	93	561	-	907	457	940	949	886	2,268	2,401	2,552	
Rank of Periority		12	3	7	6	1	15	16	13	17	10	14	9	8	11	5	4	2	

Note

M1 = Need a routine calibration of stunning tool; M2 = Don't use an expired tool of stunning; M3 = Need stunning officer certification with refer to the vendor; M4 = the vendor is obliged to train the use & maintenance of stunning tool  
 M5 = Vendor or factory is obliged to issue a written manual of stunning tool, M6 = Need a special training before the practice of stunning, M7 = Need to facilitate the document keeper of stunning record, M8 = Need a halal Internal auditors  
 M9 = a training of halal slaughtering; M10 = certify the halal slaughterers, M11 = routine of medical check p, M12 = Guidelines for halal slaughter, M13 = increase Of halal slaughterer, M14 = standard of number halal slaughterer  
 M15 = the need the training for internal halal auditor; M16 = Rearrangement of halal training schedule; M17 = Socializing of halal policy and tools