Halal accreditation and certification in a non-muslim country setting: Insights from Australia halal meat supply chain

Mohd Hafiz Zulfakar

Caroline Chan

Ferry Jie

Veera Pandiyan Kaliani Sundram

Follow this and additional works at: https://ro.ecu.edu.au/ecuworkspost2013

Recommended Citation


This Journal Article is posted at Research Online.
https://ro.ecu.edu.au/ecuworkspost2013/6066
Halal Accreditation and Certification in a Non-Muslim Country Setting: Insights from Australia Halal Meat Supply Chain

Mohd Hafiz Zulfakar¹, Caroline Chan², Ferry Jie³, Veera Pandiyar Kaliani Sundram⁴

¹Faculty of Business and Management, Universiti Teknologi MARA Cawangan Selangor, Kampus Puncak Alam, Malaysia
²School of Business IT and Logistics, RMIT University, Melbourne, VIC Australia
³School of Business and Law, Edith Cowan University, Joondalup, WA Australia

Abstract — It is a known fact that most halal food products, especially meat are now sourced from various part of the world and the majority of halal food exporters/producers come from non-Muslim countries. This has led to growing concerns from the halal consumers, especially the Muslim communities with regards to whether the halal status of these food products can really be guaranteed throughout the supply chain in these countries and whether the halal foods are claimed are authentic. This study aims to better understand the current halal meat certification in Australia, a predominantly non-Muslim country. By adopting a case study approach, this study uses semi structured interviews and field observations as the primary methods of data collection. Fifteen participants representing the halal certifiers and meat processors participated in this study. This study is one of the first to identify and discuss conceptually the operations of halal meat supply chain in Australia. It has contributed to the body of knowledge through an understanding of the issues that are affecting halal meat supply chain operations in a non-Muslim majority environment.

Keywords — Halal Meat, Halal Certification, Australia Halal Meat, Halal Meat Supply Chain

1. Australia Halal Meat Production

Australia is a country that has rich resources of agricultural products. The production of food derived from the agricultural sector has played a significant part in the development of Australia’s economic growth. In 2010-2011 alone, the Australian overall food industry contributes AUD130.4 billion turnover to the nation economic growth [28]. More than 90% of fresh foods consumed by Australian are home grown and produced by local farmers [13]. The massive production capability backed by the advanced agriculture and food processing sector that Australia possessed is not only capable of fulfilling the domestic consumption, but also the consumption of the population in different parts of the world [15]. Australia also has the reputation of producing clean, high quality and safe agricultural commodities and food products, although the country is a relatively small global food producer and only ranked sixteenth as the world’s food exporter in 2011 [13], [36].

With joint supervision from the government agency and the Approved Islamic Organisation (AIO)-status halal certifiers, all production of halal meat for export market are strictly monitored and standardised from the moment the livestock are brought to the abattoir until the meat leave the final departure points for international shipment. Meat processors with the assistance of the halal supervisors take heavy precautions at every control point within the supply chain to avoid the possibility of cross contamination of the meat. Despite these efforts, many seems sceptic. The possibility of cross-contamination with non-halal products at various critical points throughout the process is very high due to the fact that awareness as well as the requirement to comply with religious requirements for halal food production is still low or almost non-existent in these non-Muslim countries [14], [33], [34].

The aim of this exploratory study was to examine and provide insights on the halal meat supply chain certification in a non-Muslim majority country setting, specifically in Australia. Two research questions guided the study:

(a) How halal accreditation and certification are obtained in Australia? and
(b) What are the various types of halal accreditation and certification available in Australia?

2. Halal Certification as Halal Integrity Assurance

Studies conducted by [1], [21], and [37] have suggested that the halal authenticity can be verified using various laboratory
analysis tools. However, these tools are not available and accessible to the general consumers, particularly during their purchasing activities. Though these analyses can detect the non-halal substance in the halal food, there are various aspects of halal food production that cannot be measured using these methods such as animal welfare, the slaughter method, treatment and separation of halal animals, segregation of halal and haram food at all stages of the supply chain Therefore the most accessible and visible method to verify the halal authenticity is through the product labelling and certification [1], [26], [30].

Halal certification refers to the examination and verification of food processes from preparation, slaughtering, ingredients used, cleaning, handling, disinfecting, processing and storing, transportation and distribution as well as management practices that the food has been prepared from permissible ingredients in a clean and hygienic manner according to the Islamic Sharia law [5], [6], [39]. It also provides endorsement from a credible Islamic body that the product is suitable for Muslim consumption [29].

Halal consumers’ concerns are growing as recently the image of the halal food industry has been tarnished due to the increasing occurrence of fraudulent halal certification and physical contamination of halal food products [1], [4], [14], [27]. Different versions of the halal logo on packaging labels as well as on display at restaurants have made consumers confused and uncertain whether the products offered are truly halal [1], [2], [26].

Previous studies by [1], [19], and [20] have found that halal certification reduces the uncertainties and increases the trust and confidence of the halal consumers. Halal certified foods provide the guarantee that the foods have been produced, processed and handled with safety in accordance to the religious requirements. Not only that, halal certification of food products can be used as a marketing tool to attract more consumer base [8], [23], [25]. This provides the valuable opportunity that the particular halal food products can be acceptable and marketable at both local and global markets.

The rising trend of Muslim consumers eating out at restaurant and takeaway premises, especially among the youth and young executives, has led food service providers to obtain the necessary halal certification in order to capture this market share. Food premises with halal certification guarantee that the foods have been produced, handled with safety in accordance to the religious requirements and eventually lead to more patronage. [16] in her doctoral study attempts to understand restaurant managers’ expectation toward halal certification in Malaysia. The study revealed that restaurant managers in Malaysia perceived that halal certification as an important aspect in the halal food industry and can act as a marketing strategy tool. The findings corroborate with studies conducted by [3]; [22], and [38] which reveal that local Muslim consumers prefer to choose restaurants which have halal certification for their dining experience.

3. Data Collection

3.1 Semi-Structured Interviews

Since the study intends to explore and examine the halal meat certification in Australia, the sample has to be purposive [7], [9], [12], [18], [24], [32]. The selection of potential interviewee must be someone who has the adequate experience and is qualified to speak on the behalf of that particular stakeholder group [10], [11], [17].

Fifteen participants, representing two major stakeholders’ groups directly involved in halal meat supply chain in Australia, namely halal certifiers and halal meat processors, participated in this study. The participants were identified from the following list and websites:

(a) List of recognised Islamic bodies for halal certification of red meat that is published on the Department of Agriculture, Fisheries and Forestry website. The list contains the names of the Islamic bodies within Australia which were granted approval to issue official Australian government EX237 Halal Certificates for the export market.

(b) AUS-MEAT Accredited Establishment that is published on the AUS-MEAT Limited website. The list contains all the establishments within Australia which are involved with meat processing activities which covers abattoirs and boning room, for both domestic and export markets.

Below is the brief profile of the participants involved in this study (Refer Table 1). A unique code was assigned to each participant to ensure that the individuals and their organisations remain anonymous in this study and this was agreed upon before each interview was conducted.

Although the number of participants in this study is small, it is still able to provide an accurate version of Australian halal meat supply chain operations as the objective of studying the subject matter with more in depth and detail [31], [35].

4. Result and Analysis

4.1 Halal Certifiers in Australia

It was suggested that, at one stage, there were more than thirty organisations in Australia that provide halal certification services. However, due to fierce competition, importing countries’ requirements and other reasons, the number of halal certifiers in Australia has shrunk. Some of it has ceased operations completely, some shifted to focus on other type of businesses and some have merged together. One of the unique characteristics of these halal certifiers is they are often established based on ethnicity affiliation and community based.
Table 1. List of Interviewees

<table>
<thead>
<tr>
<th>Pseudonym</th>
<th>Position of Person Interviewed</th>
<th>Religion</th>
<th>Market Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certifier #1</td>
<td>Operation Manager</td>
<td>Muslim</td>
<td>Domestic &amp; Export</td>
</tr>
<tr>
<td>Certifier #2</td>
<td>Senior Auditor/ Meat Inspector</td>
<td>Muslim</td>
<td>Domestic &amp; Export</td>
</tr>
<tr>
<td>Certifier #3</td>
<td>Chairman/Food Division Director</td>
<td>Muslim</td>
<td>Export</td>
</tr>
<tr>
<td>Certifier #4</td>
<td>Islamic Affairs and Halal Services Manager</td>
<td>Muslim</td>
<td>Domestic &amp; Export</td>
</tr>
<tr>
<td>Certifier #5</td>
<td>Chairman</td>
<td>Muslim</td>
<td>Domestic &amp; Export</td>
</tr>
<tr>
<td>Certifier #6</td>
<td>Chief Executive</td>
<td>Muslim</td>
<td>Domestic &amp; Export</td>
</tr>
<tr>
<td>Certifier #7</td>
<td>Director/Senior Auditor</td>
<td>Muslim</td>
<td>Domestic &amp; Export</td>
</tr>
<tr>
<td>Processor #1</td>
<td>Operation Manager</td>
<td>Muslim</td>
<td>Export</td>
</tr>
<tr>
<td>Processor #2</td>
<td>Managing Director</td>
<td>Muslim</td>
<td>Export</td>
</tr>
<tr>
<td>Processor #3</td>
<td>General Manager</td>
<td>Non-Muslim</td>
<td>Domestic &amp; Export</td>
</tr>
<tr>
<td>Processor #4</td>
<td>Owner</td>
<td>Non-Muslim</td>
<td>Domestic</td>
</tr>
<tr>
<td>Processor #5</td>
<td>Quality Assurance Manager</td>
<td>Non-Muslim</td>
<td>Export</td>
</tr>
<tr>
<td>Processor #6</td>
<td>Quality Assurance Manager</td>
<td>Non-Muslim</td>
<td>Domestic &amp; Export</td>
</tr>
<tr>
<td>Processor #7</td>
<td>Managing Director</td>
<td>Muslim</td>
<td>Domestic</td>
</tr>
<tr>
<td>Processor #8</td>
<td>Managing Director</td>
<td>Muslim</td>
<td>Domestic</td>
</tr>
</tbody>
</table>
There are presently about twenty-one halal certifiers in Australia that have been approved and given responsibilities by the Federal government to supervise and issue certificates in the halal meat production for export. All the twenty-one halal certifiers are given ‘Approved Islamic Organisation’ or AIO status. Any meat processor who wants to export halal meat from Australia must have their halal meat production program endorsed and supervised by one of these AIO-status halal certifiers.

On the contrary, for the domestic market, there is no obligation to obtain the halal certification from halal certifiers who have the AIO status. However, to capture a larger share of the market and to gain the trust of the halal consumers, almost all domestic meat processors opt to obtain halal certification from the AIO status halal certifiers rather than the rest of halal certification bodies in Australia. It can also be said that the non-AIO status halal certification bodies are no longer active or only active in their local area.

4.2 Halal Accreditation and Certification in AHMSC

4.2.1 Halal Accreditation and Certification Process

Although the production of halal meat at the meat processing establishments have fulfilled the religious requirements, the only tangible evidence that provides halal assurance are the halal accreditation and certification issued by the halal certifiers. It is not mandatory for any business organisation dealing with halal food production in Australia to apply for halal accreditation and certification except for those involved with the production and trading of halal meat for the export market. Any interested organisation can submit their formal request to any of the existing halal certifiers in Australia stating their desire to apply for halal accreditation and certification. Figure 1 presents the halal accreditation process in Australia.

According to Certifier #6, halal accreditation in Australia refers to ‘the official recognition of a company’s suitability for preparing halal goods on their premises’ and halal certification refers to ‘the official recognition of individual products as complying with halal requirements’. The formal request should contain background information about the organisation such as the number of workers, intended market for the product, and detailed information regarding the type of halal meat that the organisation wants to produce or process.

A certain amount of fee will be charged to the organisation during the application process. According to Certifier #6 and Certifier #7, the fees vary depending on certain factors such as product category, risk factors involved from a halal and quality point of view, work complexity, the company’s market, level of assistance required in developing and implementing halal program, frequency of inspection visits and the need for ongoing support systems.

Meat processors who wanted to produce halal meats are required to include information such as the animal species handled at the establishments, type of halal meat that the establishments want to produce/process, the number of registered Muslim workers; and any existing halal program in place at the establishment. The meat processors are required to form its own halal program for the production of halal meat before they can submit their application. However, the meat processors can consult the halal certifier and seek advice on the formation of the halal program.

![Figure 1. Generic Halal Accreditation and Certification Process for Meat Processing Establishments in Australia](image-url)
certifier will issue the halal accreditation to the organisation. A mutual agreement between the halal certifier and the organisation will be signed to ensure that the organisation meets the necessary requirements during the approved duration of the accreditation and certification. Apart from the certificate, the agreement permits the organisation to use the halal certifier’s logo to be placed on the organisation’s product packaging or labelling. The agreement also includes conditions whereby the halal certifier is permitted to conduct unscheduled inspection to the organisation’s premise.

The approved duration of the accreditation is normally one year and can be renewed upon formal renewal submission by the organisation. If the organisation has been found in breach of the conditions set in the agreement, the halal certifier has the right to revoke the accreditation immediately or the organisation will not be eligible for future renewal of the accreditation.

4.2.2 Eligibility of AIO-status Halal Certifier

In Australia, halal certifiers or Islamic organisations which have an Approved Arrangement (AA) with Australian Quarantine and Inspection Service (AQIS), now known as Biosecurity, are eligible to provide halal certification to the Australian export meat industry. Under this arrangement, the halal certifiers, who is given the Approved Islamic Organisation (AIO) status, will manage the religious aspects of halal meat production, including halal inspection, supervision and certification. Besides that, they will ensure that importing country’s specific halal requirements (note: some countries often have halal specific requirements) are being met by the meat processors.

The AIO-status halal certifiers are also responsible in endorsing the meat processor’s halal program in the Approved Arrangement document and to conduct on-going training and assessment of the halal slaughtermen’s religious competency. Apart from the religious aspect, AQIS through its assigned officer at the meat processing establishments will make sure that the meat produced by the meat processor complies with the quality assurance and food safety Codes of Practice which uphold the principle animal welfare rights and must be fit and hygienic for human consumption.

To be eligible to supervise the processing and certification of halal meat for export purpose, the halal certifiers must have an AA approved by AQIS. This is supported by the following statement from Processor #3:

“Every Islamic certifier has to have Approved Arrangement of how he is going to manage his Islamic organisation (in order) to supply halal services, and then he will be audited on how he’s been on, who he is accredited with, which country, and the competency of the checker, understanding quality arrangement and system how he can audit, so he must be qualified to able to audit and then about knowing the competency of the Muslim slaughter men. It is all about the halal program regarding the halal system.” (Processor #3)

In addition, according to the Export Control (Meat and Meat Products) Order 2005 and the AGAHP, the halal certifiers must meet the following criteria:

(a) Be recognised by a local mosque and an importing country authority,
(b) Provide details to AQIS of training and supervision of Muslim workers,
(c) Issue Muslim Workers with identity card once assessed as competent,
(d) Audit supervised establishments regularly,
(e) Notify AQIS of critical non-conformances found during audits,
(f) Maintain relevant records, and
(g) Participate in importing country reviews when required.

A halal certifier can lose its AIO eligibility if they are found in breach of the regulations set by AQIS in the halal certifier’s Approved Arrangement. They can also lose the eligibility to issue the halal certificates for meat destined to a particular importing country based on the importing country’s regulatory body’s periodical audit and inspection. To ensure that both the Australian meat exporters and the importing countries buyers are aware of the halal certifiers’ eligibility status and to prevent unauthorised issuance of halal certificates, the list is updated quarterly and available for public viewing on the AQIS website.

This list contains all the halal certifiers’ names, who have been given the AIO status together with the market/s which they are allowed to issue halal certificate for Australia’s meat producer. All importing countries generally accept halal accreditation by any of the halal certifiers in Australia and do not insist for the halal certificates to accompany the meat. However, there are some countries that prefer only selected halal certifiers from Australia. These countries also imposed additional halal requirements that need to be fulfilled by the certifiers and meat exporters.

4.2.3 Choice of Halal Certifier

Technically, more than one halal certifier can be appointed by the meat processor. However, this study found that all participants from the Meat Processors group prefer to deal with one halal certifier only. The halal certifier which can offer the widest market access, particularly to the six countries with the strictest halal import requirements i.e., Indonesia, Malaysia, Singapore, Saudi Arabia, United Arab Emirates and Qatar, are preferred by the meat processors.

There is no official requirement stating that when a meat processor chooses a particular halal certifier, the subsequent meat processors must use the same halal certifier. However, it was observed that all the meat establishments for a particular halal meat supply chain, including the subsequent meat processors, tend to use the same halal certifier. This can be illustrated as the following. Abattoir A chooses Certifier Z for the accreditation and certification for its halal meat
production. The subsequent supply chain channels, Boning Room B, Further Processor C and Cold Room D have the freedom to choose their own halal certifier and have no obligation to choose Certifier Z. However, despite having option of other halal certifiers at their expense, all of them still choose Certifier Z.

4.3 Types of Halal Accreditation and Certificates in Australia Halal Meat Supply Chain

According to the participants, there are various types of halal accreditation and certificates that exist in the operations of AHMSC:

4.3.1 Annual Premise Halal Accreditation
This certificate authorised that the premise has satisfied the necessary requirements to produce, process, store halal food product. It is issued on an annual basis, subject to inspection approval by the halal certifier preferred by the meat processors. Once the halal certifier has approved the meat processor’s halal program, they will be given a hard copy of the accreditation in the form of a certificate. According to the halal certifiers, for easy reference, most applicants prefer to display this certificate at the most visible place within their premises, often on the wall.

4.3.2 Halal Certificate for Source of Supply
For non-slaughtering or meat processing premises i.e. only involved with selling halal meat to the end customers such as the butcher shops, they tend to opt for this certificate. This certificate is issued by the halal certifier to endorse and verify that the halal food products such as meat or non-meat based product sold on this particular premise has originated from a halal source. This certificate contains the list of halal products e.g. types of meat products and its relevant supplier.

Different individual certificates will be issued if the premise has more than one halal meat suppliers. If the premise wants to add or change their product range or supplier, they must notify and seek consent from the halal certifier. Once approved, the halal certifier will issue a new certificate with the updated list of products and suppliers.

4.3.3 Halal Meat Transfer Certificate or Interim Halal Certificate
This type of certificate is issued by halal supervisor working at a particular meat processing establishment on behalf of the halal certifier. It must be signed together by the halal supervisor and meat processing establishment’s manager. The certificate certifies that the meats have been produced according to the halal requirements. It is issued for every batch of meat output sent to another meat processing establishment. For example, the movement of halal meat from the Abattoir A to Boning Room B requires the issuance of Halal Interim/Meat Transfer Certificate issued by Abattoir A.

If the halal meat requires to be relocated to another place, for example, from Boning Room B to Butcher Shop C, a new Halal Meat Transfer Certificate must be issued by the halal supervisor of the current meat processing establishment (Refer Figure 2). Most of the time this type of certificate is considered as the official halal certificate for halal meat sold in the domestic market.

![Figure 2. Halal Meat Transfer Certificate Usage](image-url)
4.3.4 Official Australian Government Halal Certificate for Export Meat

Any halal meat for export purposes must be accompanied with this certificate, which is also known as the EX237 Halal Certificate. It is issued by the halal supervisor on behalf of the halal certifier together and has a dual signatory of the plant manager and DAFF officer in charge at the premise. If the halal meat needs to be relocated to another establishment before the port of departure, the EX237 Halal Certificate will only be issued by the final establishment that handles the meat.

Besides that, all cartons labels for halal meat export will have a unique Australian halal logo with the meat establishment’s number. Figure 3 illustrates the issuance of the official Australia Government Halal Certificate for export purpose.

![Diagram](image)

Figure 3. Halal Meat Transfer Certificate and Official Export Halal Certificate Movement

5. Conclusion

The halal meat production started in Australia since the late 1950s and has since undergone various phases of development, including improvements in the certification and production system. To cope with the worldwide demand, Australia has devised a special program to regulate the halal meat production for the export market to gain the confidence of the Islamic countries and to ensure the religious requirements are strictly observed. Hence, ensuring the credibility of the halal meat certification as well as the meat halal status.

To strengthen the integrity of the halal meat supply chain in Australia, only the halal supervisors at a particular establishment is authorised to issue the Halal Meat Transfer Certificate and the official EX237 Halal Export Certificate. The halal supervisors act on behalf of the halal certifiers and are authorised to issue the halal certificates. In addition, the halal supervisor is also responsible to verify the incoming halal certificates that arrive at his premise and has the right to refuse any meat that comes without any halal certificate or if he has any doubt with the halal certificate authenticity.

The halal certificates (Halal Meat Transfer Certificates and Official Australian Government Halal Certificates) that are issued for every batch of halal meat produced have been identified as important to provide evidence to clients and customers to assure them that all religious requirements have been fulfilled. To enhance the credibility and to prevent abuse of halal certificates, it was confirmed that only the halal supervisors are authorised to issue the halal certificates. Besides that, there are also Annual Premise Halal Accreditation Certificate and Source of Supply Halal Certificates, which provides the assurance to the halal meat consumers that the premise has the fulfilled the religious requirements required to produce, process, store and sell halal meat.

Acknowledgements

Our special thanks to Universiti Teknologi MARA, Cawangan Selangor, Malaysia and Institute of Quality and Knowledge Management (INQKA), UiTM Shah Alam for...
the support in completing this research and other financial support.

References


[29] Spring Singapore, Global halal food industry guide to tapping the fast growing halal food market, Spring Singapore, Singapore, 2011.


