HALAL CERTIFICATION OF CHICKEN SLAUGHTER INDUSTRY: LEGAL NEEDS AND REALITY

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This case was written by Anis Shuhaiza Md Salleh, Fariza Romli, Khuzaimah Mat Salleh Universiti Utara Malaysia. It is intended to be used as the basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.

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Introduction

The concept of halal products including halal foods has long time received worldwide debates and discussion due to its recognition as an alternative way to safety, hygiene and quality assurance of the products. This concept is acceptable not only by the Muslim consumers, but also by the non-Muslim. For Muslims, the products have to meet not only the law enacted for halal management but also the halal requirements as prescribed by the religion. In Malaysia, a company which produces halal products has to meet the standard of halal as mainly prescribed by the Jabatan Kebajikan Islam Malaysia (JAKIM)/Jabatan Agama Islam Negeri (JAIN). Failure to fulfill the requirements or when the halal certification is wrongly used may render the company to be fined, suspension of license or even the premise may be ordered to be sealed or closed depending on the kind of offence committed. By using a case study method conducted on Jimat Jaya Sdn. Bhd. (JJSB), a multinational company which was categorized as a slaughter house, the legal needs pertaining to the halal certification and the reality of their application were clarified.

The finding from interviews conducted with JJSB particularly with its factory manager revealed that the company had been persistently complying with the standards and rules on halal certification. Ensuring the visibility and sustainability of the company in the competitive market era was not an easy task. Nevertheless, with continous efforts and struggles put up by the staff of JJSB from top management to all workers, the company was able to maintain its recognitions and certifications at local and international levels. More importantly, the interview revealed that the establishment of the Internal Halal Committee (IHC) by JJSB as required by law was a strength for the company to monitor the halal certification ranging from the processes, slaughterers, tools and equipments to documentations. The IHC, which worked hand in hand with JAKIM/JAIN in monitoring the halal aspect of chicken slaughtering had proven that halal certification was among the company’s priority. Being among the largest broiling processor companies in Malaysia, JJSB managed to produce approximately 50,000 chickens per day. There were various products of JJSB such as whole chicken, cut parts item, debone item and by products.

Background of the Company

Jimat Jaya Sdn. Bhd. (JJSB) became the selected organization for this case study. The selection was made on the reason that the company was among the most popular companies which had been producing the halal chicken products to be distributed throughout the regions of Peninsular Malaysia. JJSB was a company in Malaysia, with a head office in Kuala Lumpur. The company was a non-bumiputra company and had started its operation in 1995 at Sungai Petani, Kedah. Being a subsidiary company to CAB Cakaran Corporation Berhad (CAB), a public listed company on the Main Board of Bursa Malaysia Securities Berhad, JJSB had been involved in integrated poultry business for processing fresh, chilled and frozen carcasses, offals and chicken parts.

JJSB was located at Plot 21-24, Kawasan Industri Ringan Bukit Makmur, Sungai Lalang, Bedong, Kedah Darul Aman. The idea of incorporating JJSB was founded by the founder of the CAB, Mr Chua Ah Bee. The CAB decided that it was the right time to expand the business by instituting their own broiling processor factory of producing the chicken products. He selected the suitable area in Bedong, Kedah to develop the factory of producing the products.

The organization chart of JJSB consisted of the Chief Executive Director and Executive Director as the top management of JJSB. There were various departments in JJSB, namely the Department of Accounts, Logistics, Human Resource, Store, Maintenance, Halal, Quality Assurance and Quality Control (QA/QC), Information Technology (IT) as well as the Department of Purchasing and Production.
With the enhanced marketing strategies, quality control, technological advances, experience and expertise collaborative activities as well as efficient management of product distribution, JJSB had successfully penetrated the food industry in Malaysia both domestically and globally. In addition, by having good Standard Operating Procedures (SOP) and quality assurance system, JJSB had been gaining trust from its regular and potential customers from all over the country, which came from hypermarkets, hotels, fast food outlets, agencies and individuals.

Most importantly, JJSB practiced Islamic concept in its production, in which halal slaughtered chicken was its priority. The company emphasized on cleanliness and purity of its products to ensure that the products were in line with the regulations enforced by Jabatan Kemajuan Islam Malaysia (JAKIM). The products of JJSB were guaranteed HALAL and had been certified by JAKIM. Together with that, JJSB also required its staff to attend courses organized by SIRIM in order to enhance their management skills and kept abreast with the latest trends and developments in the market.

Apart from receiving the HALAL certification from JAKIM, JJSB had also received other recognitions from the Total Quality Assurance Provider (INTERTEK), certifying that the company had reached the standard of ISO 9001:2008 applicable to processing of fresh, chilled and frozen whole dressed chicken. The company also received recognition from INTERTEK on the Hazard Analysis Critical Control Point (HACCP), which was an internationally recognized food safety system together with the Quality Assurance Programme (QAP) certification from Veterinary Department. In addition, the company owed the certification of Skim Pensijilan Makanan Selamat Tanggungjawab Industri (MeSTI) from the Ministry of Health which acknowledged that the processing premise was in a good and safe condition according to the rules laid down by the ministry. The JJSB managed to obtain the Platinum Shauffmantz Veritas (PSV), an audited certification pertaining to the activities ranging from receiving the live birds (raw material) to finish products being transferred out from the cold room onto the lorry for distribution. More importantly, the suppliers for JJSB, which supplied the live birds to the company were almost recognized as having Good Veterinary Hygiene Practice (GVHP) or Skim Amalan Ladang Ternakan (SALT) certified.

**Vision of JJSB**

The vision of the company was to be the best halal chicken producer throughout Malaysia with the finest and best quality. The aim of the company was to produce the halal products with strict adherence to the high standard of quality and safety production.

**Mission of JJSB**

The utmost mission of the company was to make sure that its production met the international halal standards declared by the international halal body. The company aimed to be the most reliable reference board to all of the subsidiary companies in producing their products, be it in raw or processed products.

**Visibility, competitiveness and sustainability of JJSB**

Visibility in the market together with two other important elements namely the competitiveness and sustainability of halal product, were among the secret of success for Jimat Jaya Sdn. Bhd. Being a subsidiary to a multinational company, namely CAB Cakaran, JJSB was categorised as a big company according to Appendix 2 of the Manual Procedure for Malaysia Halal Certification (Third Revision) 2014 (MPPHM 2014) as its production reached 35,000 to 40,000 slaughtered chicken per day. The Manual categorizes slaughter house into 3 categories by looking at the number of
slaughtering per day. Specifically, a big company indicates a company, which its production is more than 10,000 slaughtered chicken per day, medium scale ranges from 3,000 to 10,000 while small scale company between 1 to 2,999 slaughtered chicken per day. The efficiency of its machines and technology was regularly maintained by the locals together with international experts, who were brought in from the Philippines and Germany. In order to compete with other companies which also produced slaughtered chicken, JJSB captured its market not only in the northern but also southern region especially in fulfilling the demands from customers. Besides, there was a deal with Brunei government to export halal slaughtered chicken to the country.

Furthermore, in order to ensure its sustainability of halal product, the company had been closely monitoring the quality of its product and adhering strictly to the laws. The Quality Assurance Department headed by Madam Adziah Adnan had a big responsibility in ensuring that the products achieved certain prescribed standards and quality. JJSB had been practising Good Manufacturing Procedures (GMP) and Hazard Analysis Critical Control Point (HACCP) to produce not only halal but also halalan toyyiban product. In relation thereto, the company had established an Internal Halal Committee (IHC) which worked hand in hand with Bahagian Pengurusan Halal, Jabatan Hal Ehwal Agama Islam Negeri Kedah (JHEAIK). The establishment of the IHC was part of the requirement stipulated by the Malaysia Guidelines on Halal Assurance System 2011 (HAS 2011) and Manual Procedure for Malaysia Halal Certification (Third Revision) 2014 (MPPHM 2014). The religious officers from JHEAIK would observe the process of slaughtering from beginning to the end to ensure the processes were in compliance with the principles of Sharia and legal requirements.

i. Pre-slaughtering process

The process started with checking the live chickens received from the carrier, in which the number of declared live chickens sent to the company must be tallied with the actual numbers received. The chickens were then showered with water and dried with fans to clean the dirt before undergoing the hanging process. The hanging of live chickens was done manually by the workers in order to inspect the chickens’ condition. This was important to ensure that only chickens which were still alive would be hanged and slaughtered to the exclusion of the dead chickens. Following that, the moving shackle line would convey them to an electrical waterbath where the chickens would go through the stunning process, which was classified as hazard critical control point 1 (HCCP 1). The stunning was a process of rendering the chickens unconscious prior to slaughtering by deeping their head in the electrical water bath stunning, using 40-60 voltage depending on the size of the chickens. The process was to minimize the pain and suffering of chickens, hence to avoid them from struggling and damaging parts of their body. The stunning process would normally take not more than 1 minute 30 seconds. Immediately after stunning, the chicken must be ensured to be awake before slaughtering. If any chickens found dead prior to slaughtering, the dead would be removed immediately.

ii. Slaughtering process

The chickens were then slaughtered by an accredited slaughterer who must be a Muslim and Malaysian. He must possess a certificate to slaughter, which was issued exclusively for a specific company that he was working with. In other words, a slaughterer could not possess a certificate to slaughter for Company A and later wished to slaughter for Company B using the same certificate. He must also comply with strict requirements of law before any accreditation and certificate can be issued. This was very important for the government to control and monitor the slaughtering process in order to meet with the Sharia principle. To avoid fatigueness and loss of concentration, the law prescribes that a slaughterer shall not slaughter more than 3000 chickens per day. Apart from that, JJSB had also possessed the Standard Operating Procedures (SOP) pertaining to slaughterers, processes and tools for slaughtering, which were in compliance with the requirements issued by
JAKIM. Among the important aspects prescribed by the JAKIM are; the slaughtering must be done by using sharp and clean knives where there must be running water to clean up the blood from the knives during slaughtering process. They must be sufficient in numbers to cater to the number of slaughtering chickens and the knives are not made from bones, nails and teeth. In addition, JAKIM also prescribes about bleeding time in order to make sure that the blood has been drained completely. The duration must not be less than 4 minutes 10 seconds. This description was followed by the company. Practically, at this critical control point 2 (HCCP 2), two competent Muslim staffs were assigned by the company as halal checkers to make sure that the chickens had been slaughtered in complying with the conditions and rules as specified by hukum syarak. The chickens must be confirmed by halal checkers to die accordingly. If found that the chickens did not die or the throat, windpipe and the blood vessels in the neck were not properly cut, the chickens would be removed immediately. Following that, the slaughtered chickens would go through scalding tank, which contained hot water for defeathering process. The process was closely monitored to minimize cross-contamination. In addition to that, the temperature was also carefully controlled to preserve the freshness and quality of the chickens. For this purpose, 58-60 degrees temperature was used for 1 minute 35 seconds.

iii. Removal of heads, legs and internal organs

Following defeathering process, the chickens’ heads and legs would be pulled off mechanically, using the industrial rotary knife. The process would be monitored by the staff to ensure that the heads and legs were properly removed. The next process was removing the internal organs of the chickens, including small and large intestine, gizzard, liver, etc. Each part of the internal organs would be separated manually by the staff. If they were found to be defective, the internal organs would be rejected. After going through final wash, the chickens would then underwent the final checking process whereby staff would inspect the chickens before passing through the next process of packaging. If any parts of the chickens were found to be defective, they would be classified as condemned birds and rejected.

Frontbenchers of JJSB

Mr Azizul Bin Mat Rashib

Holding the post of Factory Manager in JJSB made Mr Azizul Bin Mat Rashib to be responsible for taking care of various departments in the JJSB with 450 local and foreign staff. This was in fact not a simple and an easy task. It required full commitment and leadership in himself as he must monitor all needs and issues from every department together with the staff. However, with the trust given by the board of directors blended with vast experience in the industry and supportive heads of department, leading JJSB as the first person did not cause so much problem to him. Discussion or meeting indicating the “right to be heard” was a common approach used by him to hear his subordinates before any decision was taken. Further discussion or meeting would be carried out with the director of company if the situation was very much required. This approach that had been practiced by him had helped JJSB from the managerial side to tackle issues that might hinder progress and success of the company. In order to meet the expectation of existing customers and convince the prospective customers, the quality and halal products of JJSB were the priority. In doing so, almost every department must report their work performance and daily issues to the factory manager, who was then would be reporting them to the director of the company, if necessary.

Furthermore, attending law requirements and dealing with enforcement agencies were among Mr Azizul’s job specifications. For that reason, he must have the knowledge particularly on halal production, food safety, environmental safety and other legal knowledge together with the
necessary skills of negotiation and leadership. Being one of the frontbenchers of JJSB, Mr Azizul had a vision to bring JJSB as one of the prominent slaughtering houses in Malaysia that produce halalan toyyiban slaughtered chicken for consumption of not only local people but extended to the people of exporting countries. In achieving this, he had a mission of giving his fullest to JJSB in his capacity as the factory manager to ensure the progress and success of the company.

Mr. Zulkhairy Bin Umar

Having a religious background and experience as a religious teacher, Mr. Zulkhairy did not face any difficulty to share his knowledge, expertise and experience with the staff at Jimat Jaya Sdn. Bhd. particularly with regards to halal matters. Being the halal executive in JJSB for about two years, Mr. Zulkhairy was a person who would be responsible for internal halal audits on daily production and quality assurance process. He took charge of leading the internal halal committee and staff training to ensure the standards and laws as prescribed by JAKIM had been properly complied with. In addition to that, he was the one who would identify any deficiency in practices or non-compliance of standards/laws and provide recommendations for rectification thereto. Most importantly, he would be a liaison officer, who connected and coordinated with JAKIM/JHEAIK and suppliers on all halal related matters. He must provide documents for halal certification applications and renewal, technical assistance for compliance with halal certification requirements and to ensure slaughterers had underwent the slaughter training provided by JAKIM/JHEAIK.

Within his job specifications, Mr Zulkhairy must equip himself with the knowledge and skills of controlling modern technology slaughtering equipments and machines in a big scale of slaughter house. Being a leader in Halal Department, Mr Zulkhairy was very familiar with halal critical control point at modern slaughter house. He could easily point out and rectify any issues relating to halal slaughtering particularly in attending complaints from consumers. As a leader, he had a vision to ensure that the consumers would get a peace of mind in consuming chicken produced by JJSB not only as halal but also halalan toyyiban product. Hence, his mission was to make sure that the process of producing the products from beginning to the end would follow the laws and guidelines prescribed by JAKIM and other authorities.

Madam Nur Adziah Adanan

Before joining JJSB as an Assistant Manager of Quality Assurance Department in 2012, Madam Nur Adziah Adanan was a Quality Assurance/Quality Control (QA/QC) Executive at Delifrance (M) Sdn. Bhd. Having a vast experience dealing with quality assurance and control, she found no difficulty in carrying out her responsibilities in JJSB in controlling quality documents, dealing with authorities and external auditors for auditing purposes as well as managing QA/QC Department and any matters related thereto. As far as her department was concerned, matters such as hygiene, food safety, Good Manufacturing Procedures (GMP) and Hazard Analysis Critical Control Point (HACCP) were among her monitoring. These measures must be done in order to ensure that the products achieved certain standards, be legal compliance and meet with customers' specifications/satisfactions. In doing so, she practised open communication and discussion with all managers from various departments in JJSB to ensure that the quality of end products of JJSB were all in the best state. Being a leader, she must equip herself with the knowledge and skills, not only in handling documents and people but also the chemicals for hygiene and sanitation purposes. Handling internal and external auditors from various entities and attending their needs were common for her. Auditors might come and out at any stage for inspecting and auditing the company. She must be ready at all times and prepared mentally and physically to serve the need of auditors and address the auditing issues. Dealing with quality matters, she must be good in leading the workers through example. Hence,
possessing a good leadership skill in herself was a must as quality aspects may range from appearance, work process, end product, paperwork to many more.

Having a vision to prepare JJSB to be one of the well-known primary processing plants that produced the best quality of product, it became her mission to continuously educate all managements and personnel of JJSB on the importance of quality and food safety.

**Organization and Management of JJSB**

In terms of organization and management, JJSB was headed by the group of executive director and followed by the executive director to run the company business. The person authorized to sign release form was Mr Vincent Leong Weng Fai, the Director of JJSBSP, who had delegated some of his authorities to the Factory Manager, Mr Azizul B. Mat Rashib.

JJSB had a well planned organizational chart. Several departments had been set up to ensure the smooth running of the business. As one of the renowned and licensed slaughtering poultries in the northern area, which dealt with supplying the slaughtered chicken meat to local and international markets, maintaining halal certificate was among the company’s priority. Thus, they must observe the halal aspect very neatly. Having a strong back up halal committee at the parent company and in house halal executive at JJSB with a clear, determined job specification and systematic working practice, the company would be able to monitor law compliance on halal aspect. Should there be any issues arise pertaining to the daily operation of the company especially on halal aspect, the teams would sit together to address the issues immediately. They would liaise with the teams at the parent company.

The company would always make sure that they complied with laws and regulations. The Manual Procedure for Malaysia Halal Certificate (Third Revision) 2014 was among the major references together with other laws, namely:

i. MS1500:2009 Halal Food - Production, Preparation, Handling and Storage- General Guidelines. (Second Revision)
ii. Malaysia Protocol for Halal Meat and Poultry Productions;
iv. Animal Rules 1962, Animal Act 1953 (2006 Revision), Abattoir Act (Privatization) 1993 or Slaughter house Ordinance, 2004 (Sabah) or Veterinary Public Health Ordinance, 1999(Sarawak);

v. Local Government Act 1976 (Act 171);
vi. Local Council By-Laws (PBT);

vii. Decision of the National Fatwa Council for Islamic Affairs or Fatwa decreed by the states; and

viii. other related guidelines and regulations.

In order to ensure the ongoing compliance with the halal status, the management had established the internal halal committee with reference to Procedure 6.6.2 of the Halal Assurance System 2011 (HAS 2011), which must consist of the Muslim halal checker and certified slaughterman. The management appointed the Muslim halal executives or Muslim halal supervisors who were responsible to ensure the effectiveness in implementation of internal halal control system/audit.

The Muslim halal checker of the company must possess slaughtering certificate/card from the Jabatan Agama Islam Negeri (JAIN) and must be a fulltime worker. He must also attend courses related to halal slaughter. The law requires that the company shall appoint more than two Muslim
slaughtermen, which the appointment shall be proportionate to the slaughtering activities. Together with it, the company itself established more than 180 Standard Operating Procedures (SOP) on halal slaughtering chicken as required by the HAS 2011. For example, the company had developed the SOP pertaining to chicken slaughtering, strategies and policies. Among the SOP that had been practiced by JJSBSP is the knives used to slaughter the chicken must be sharp, slaughterers must wear special clothes, slaughterers must be Muslim local people as well as water flow and shower must be in good condition. All these SOP must pass the quality control check before and after the slaughtering processes. On top of that, among the strategies used to maintain the Sharia compliance is by maintaining good manufacturing procedures (GMP) and hazard analysis critical control point (HACCP) as these two will affect the application of halal certification.

JJSB Organisation Chart
Internal Halal Committee (IHC)

The Manual Procedure For Malaysia Halal Certificate (Third Revision) 2014, requires a multinational industry to form an Internal Halal Audit Committee and appoint the Halal Executive to handle and ensure that all halal procedures are complied with by the company. According to the Guideline For Halal Assurance Management System of Malaysia Halal Certification, produced by the JAKIM, The Internal Halal Committee (IHC) should be established by the company, to be responsible for developing, monitoring and controlling the halal assurance system. The IHC meeting is expected to involve all internal halal committee members to discuss on issues related to the development, implementation, maintenance and review of Halal Assurance Management System.

The in house halal executive at JJSB worked hand in hand with Halal Committee at the parent company – CAB Cakaran to make sure that the company would be able to monitor law compliance on halal aspect. The company had established a strong and well planned organizational chart at Halal Department, led by Professor Dato’ Dr Muhammad Fakhruddin bin Abd Mukti as Patron and Sharia Advisor at Parent Company – CAB Cakaran. While, at JJSB, the Halal Department was led by Mr Azizul bin Mat Rashib as the advisor and the chairman, who was assisted by the Assistant Halal Executive, Mr Mohd Zulkhairi bin Umar. The management of JJSB had the responsibilities to uphold the halal policies and principles established by the Halal Committee of the parent company.

According to the Guideline for Halal Assurance Management System of Malaysia Halal Certification, the IHC shall consist of at least four members where two of them must be Muslim at management level, one person shall be responsible for purchasing or procurement. The employee who is responsible for managing halal matters for the company shall be the coordinator of the IHC. For slaughter house, halal supervisor shall be a member of the IHC. It seems that JJSB had complied with these requirement.

The committee members must be knowledgeable and well trained in halal standard and halal certification requirements. The management of the company shall ensure that terms of reference of the IHC are fully established and the effectiveness of the IHC in implementing the Halal Assurance Management system shall be reviewed periodically, at least once every year. An immediate review is needed if there are changes in the IHC, changes to the monitoring schedules or changes in the operations and/or supply chain.

According to the Assistant Halal Executive, Mr. Mohd Zulkhairi bin Umar, their job scopes were based on requirement laid down by JAKIM. When implementing the Halal Assurance Management System, there were certain important principles for the IHC to focus on such as the determination of halal critical points in which all possible sources of contamination (halal critical point) throughout the supply chain that led to non-compliance to halal standard requirements.

Moreover, the IHC shall develop appropriate flow charts which consists of all steps involve in the entire supply chain process. The flow charts can be used as tools for the IHC to identify the potential halal treats and implement the appropriate control measures to ensure compliance with Sharia requirements. Corrective actions have to be developed whenever monitoring indicates non-compliance has occurred, so it is important that the IHC establishes and maintain an effective documentation and record keeping system to provide evidence of conformity to the requirements and effective implementation of Halal Assurance Management System.

Application for the renewal of Halal Certification will be made by the IHC every year. The internal audit will be executed by IHC before the application for renewal was made to the JAKIM. The report from the IHC is used as a basis for the application of halal certification from JAKIM. The employees of
JJSB, particularly those under the halal department had underwent several adequate and continuous trainings on the Malaysian halal standards and certification requirements. According to the Guideline for Halal Assurance Management System of Malaysia Halal Certification, periodic assessment shall be conducted to ensure relevant employees have been trained to have sufficient knowledge to effectively deliver their roles and responsibilities in complying with the halal standard and halal certification requirements.

Conclusion

In reality, ensuring sustainability of the business in a competitive market is a big challenge to the company. Adhering to the existing legal needs and procedures are among the priorities and strategies of the company to remain relevant in the food industry as most people nowadays
irrespective of races and religions prefer to choose for clean, healthy and safe food as contained in the halal certification. Clearly, halal does not merely involved in the process of slaughtering, but it also includes wide coverage of the whole processes ranging from receiving raw materials to the end products of delivery to customers. By strictly abiding the legal needs pertaining to halal certification, it can safely be concluded that the slaughtered chicken produced by JJSB is good and safe for consumption as the products meet the standard and quality prescribed by the government and religion. In short, JJSB can be a good example to the other existing or potential slaughtering poultries in Malaysia in maintaining halal certification.