

Fundamentals of Halal Foods and Certification -- January 2010

Demand for halal foods is increasing, not only in the U.S., Europe and Canada, but also in the Middle East, Southeast Asia, North Africa and Australia. Halal consumer market/trade is the fastest growing in the world. According to a latest estimation by the Pew Forum on Religion and Public Life, there are about 1.57 billion Muslims in the world today, and they comprise 23% of the global population of 6.8 billion. Over 60% of them live in Asia, and one-fifth in the Middle East and North Africa. More than 300 million Muslims live as minority communities. In Europe, there are an estimated 38.1 million Muslims, while about 1 million live in Canada, comprising 3.1% of the population. There are varying estimates of the Muslim population in the U.S., but most surveys place it at around 8 million.

The global halal food market is currently valued at \$635 billion per year, and, according to the Islamic Food and Nutrition Council of America, the U.S. halal market is estimated at \$17.6 billion. Besides Muslims, other segments have joined the ranks of halal consumers, as these types of foods gain worldwide recognition as being safe and hygienic. Non-Muslim consumers like them, because of their additional safety and sanitation features, making them less likely to be cross-contaminated. Therefore, there is tremendous economic opportunity for food manufacturers to meet the needs of all consumers of halal food products.

Over the past 30 years, many halal markets, ethnic stores and restaurants have sprung up, mainly in major metropolitan areas. For the most part, the food industry has ignored this population group and concentrated its efforts towards exporting to Muslim nations. In the past, Muslim businessmen slaughtered their own animals, and the concept of halal certification was foreign to them. However, in the late 1990s, small to mid-size companies recognized the vacuum and need to capture this niche. Halal certification is becoming as popular for domestic products as it has been for exported products. Foods and beverages bearing halal certification are readily accepted by Muslim consumers, as well as customers from other religions, provided it is from a reputable certification organization.

Fundamentals of Halal Foods

All foods pure and clean are permitted for Muslims, except the following (including any products derived from them or contaminated with them): 1. carrion or dead animals; 2. blood; 3. swine, including all by-products; 4. alcohol; and 5. animals slaughtered without pronouncing the name of God on them. If food companies can avoid ingredients from these sources, halal food production is very similar to regular food production.

Food processors should be aware of the following common food ingredients and their sources: food additives; amino acids; animal fat and protein; colors; dressings, sauces and seasonings; emulsifiers; enzymes; fats and oils; fat-based coatings, grease and release agents; flavors and flavorings; gelatin; glycerin; hydrolyzed protein; meat and its by-products; packaging materials; stabilizers; thickening agents; vitamins; and whey protein. When processing halal products, it is necessary to eliminate all

contamination with non-halal ingredients.

What is a Halal Certificate?

A halal certificate is a document issued by an Islamic organization, certifying the products it covers meet the Islamic dietary guidelines, comprising of, but not limited to, the following: the product does not contain pork or its by-products; the product does not contain alcohol; the product does not contain prohibited food ingredients of animal origin; the product has been prepared and manufactured on clean equipment; and meat and poultry components are from animals slaughtered according to Islamic law.

Types of Halal Certificates and Duration

There are two types of halal certificates, and their duration depends on the type of food or beverage. The first type of certificate is a site registration certificate, which signifies that a plant, production facility, food establishment, slaughterhouse, abattoir or any establishment handling food has been inspected and approved to produce or serve halal food. It does not mean that all food products made or handled at such a facility are halal-certified. A site certificate may not be used as a halal product certificate.

The second type of halal certificate is for a specific product or a specific quantity. This certificate signifies the listed product or products meet the halal guidelines formulated by the certifying organization. Such a certificate may be issued for a specified quantity of the product destined for a particular distributor/importer. If the certificate is for a specific quantity, it may be called a batch certificate or a shipment certificate. Meat and poultry products, where each batch or consignment has to be certified, generally receive a batch or shipment certificate.

The duration for which a certificate is valid depends upon the type of product. A batch certificate issued for each consignment is valid for as long as that specific batch or lot of the product is in the market--generally, up to product expiration date or "use by" date. In a separate case, if a certified product is made according to a fixed formula, a certificate may be issued for a one-, two- or three-year period. The product remains halal-certified, as long as it meets all the established and agreed-upon production and marketing requirements between the company and the halal-certifying organization.

Who is Authorized to Issue Halal Certificates?

Any individual Muslim, Islamic organization or agency can issue a halal certificate, but the acceptability of the certificate depends upon the country of import or the Muslim community served through such certification. For example, in order to issue a halal certificate for the products exported to Malaysia and Indonesia, the issuing body of the halal certificate must be listed on each country's approved list. There are more than 40 organizations which issue halal certificates in the U.S., but only five of them have been approved by the Majelis Ulama Indonesia (MUI). Recently, Jabatan Kemajuan Islam Malaysia (JAKIM) culled down the list from 16 to just three approved organizations. Some 50% of the ones previously approved and now delisted by JAKIM were not even active in issuing halal certificates, according to JAKIM sources. The other delisted ones failed to meet JAKIM guidelines.

It is important food manufacturers be aware of not only the halal requirements for different countries and the principles of halal, but, also, understand the organizations which meet their needs the best. They should choose a certifying body that can service their global needs, as well as one that is acceptable to both the countries of import and the local Muslim community.

Malaysia and Indonesia are the only countries that have a formal program to approve halal-certifying organizations. Other countries, like Saudi Arabia, Singapore, Kuwait, United Arab Emirates, Egypt and Bahrain, may also do approvals of organizations for specific reasons.

Which Products Can Be Certified?

With the complexity of manufacturing systems and the utilization of all animal by-products, any product consumed by Muslims may be certified, whether the product is consumed internally or applied to the body externally. Medicines and pharmaceutical products which are used for health reasons need not be certified; however, knowledgeable consumers look for products that are halal-certified or at least meet halal guidelines. The products that may be certified include:

- * Meat and poultry fresh, frozen and processed products.
- * Meat and poultry ingredients.
- * Dairy products and ingredients.
- * Prepared foods and meals.
- * All other packaged food products.
- * Cosmetics and personal care products.
- * Pharmaceuticals.
- * Nutritional and dietary supplements.
- * Packaging materials.

Halal Certification Process

The halal certification process starts with choosing an organization that meets the needs for the markets to be serviced. Many countries, like Singapore, Indonesia and Malaysia, have government-approved halal programs, whereas the predominantly food-exporting countries have independent certification bodies. When targeting a specific country, it is better to use an organization that is approved, recognized or acceptable in that country. If the market area is broader or even global, then an organization with an international scope would be better.

The process starts with filling out an application explaining the production process; the products to be certified; and regions in which the products will be sold/marketed, along with specific information about the component ingredients. Most organizations review the information and set up an audit of the facility. At this time, it would be advisable to negotiate the fees and have a clear understanding of the costs involved; in some cases, the cost may run into thousands of U.S. dollars per year.

During review of the ingredient information and/or the facility audit, the organization may ask manufacturers to replace any ingredients that do not meet its guidelines. Generally, the company and

the halal-certifying agency sign a multi-year supervision agreement. Then, a halal certificate may be issued for one year or for a shipment of a product. Overall, the process for halal certification of the food products is not complicated. (See chart "Halal Certification Process Flowchart.")

Use of Halal Markings

When a product is certified halal, a symbol is normally printed on the package to inform consumers. For example, the Islamic Food and Nutrition Council of America (IFANCA) uses the crescent (see the January 2010 issue of *Prepared Foods* for the symbols and lettering noted here) symbol, which signifies "good for Muslims." There are several other symbols being used by halal-certifying agencies, like an Arabic letter, Arabic lettering for the word halal or the actual word "halal." However, products will be better accepted by the Muslim consumer, if the logo is from the local halal authority or, in the case of imported products, if it signifies a reputable halal certification organization.

In conclusion, there are many opportunities to tap a global halal food market of 1.57 billion people. The halal logo is an authoritative, independent and reliable testimony to support halal food claims. Furthermore, it provides 100% profit of greater market share: no loss of non-Muslim markets/clients. The halal certification enhances the marketability of products in Muslim countries/markets and requires a small cost investment, relative to multiple growth in revenues. Finally, the halal product's image is boosted to meet varied customer needs