Mapping of The Potential Sector of Food and Beverages for Regular Halal Certification and Self Declare in Jember Indonesia

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ABSTRACT
At this point, halal certification is a certainty for the mamin. Even though BPJPH as a state institution that focuses on Halal Product Assurance supported by law has started to carry out its activities, the process of halal certification is not without obstacles. Including in the food and beverage sector. This study aims to analyze the potential sectors in food and beverages in Jember Regency that are ready to carry out regular or self-declared halal certification. The results showed that out of a total of 7,336 MSME units in Jember Regency, most were in the Districts of Rambipuji, Kaliwates, Patrang and Jelbuk. With NIB ownership of 7 %, In Production (10%), Trade (23%) and Services (01%), as well as other fields. Most of MSMEs (79%) are recorded as not having Halal Supervisors.

Keywords: halal certification, self declare, food, beverages

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Abstrak: Sertifikasi halal menjadi jaminan kepastian terhadap mamin tersebut. Meskipun BPJPH sebagai lembaga negara yang fokus terhadap Jaminan Produk Halal yang didukung oleh Undang-

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Kata kunci: sertifikasi halal, pernyataan diri, makanan, minuman

INTRODUCTION

Food and beverage is a sector that continues to grow despite being hit by Covid-19 pandemic. Data from the State Of The Global Economy Report shows an increase in global halal food and beverage spending by 6.9% in 2021 from US$ 1.19 trillion to US$ 1.27 trillion. This figure is predicted increase up to 7% during 2022 in line with the transition from pandemic to endemic. Indonesia is occupies the top position after Malaysia as a country with great potential for halal food and beverage. This potential pushed where Indonesia is the world's largest Muslim country. And become a country with a growing Muslim middle class. The increasing of halal sector is actually not only in terms of food and beverages, other sectors, for example: Tourism, media-entertainment, logistics, etc. still grow, specifically for the Tourism sector is not only the focus of Muslim countries but countries with Muslim minorities also focus on Halal / Muslim Friendly Tourism. The increasing in halal sector driven by growth of Muslim middle class is a supplement to achieve an increase in halal certification in various sectors, especially food and beverages.

The Obligatory for Muslims to consume halal and Thayyib food are always found in the Qur’an. However, to make this happen, efforts are needed to distinguish halal and thayyib food. Thus, the government encourage the society through Law Number 33 year 2014 concerning Mandatory Halal which

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finally began to be implemented on October 18, 2019. Through a policy updated, two main programs emerge in the halal industry, namely halal activities (services) and non-services. Halal food is divided into 2 major groups, namely the Regular program Halal certification and the Self Declare program Halal Certification.\(^5\) The regular program is for food and beverage whose turnover exceeds 500 million per year with a complicated production process that requires a Halal Auditor to distinguish between halal and non-halal, while the Self Declare program is for the food industry whose turnover is below 500 million per year with a production process which is simple so that it is clear that it is halal. Thus there are differences in requirements between the two programs so that product mapping based on the requirements in question is really needed for Halal centers or Halal Inspection Agencies.

This phenomenon is no exception because Jember is a city of Santri (Student of Islamic boarding schools). This regency, which is located in the eastern part of East Java province, has the nickname as the city of Santri because it has the largest number of Pesantren (Islamic boarding schools) in East Java, reaching 611 Pesantren schools.\(^6\) Jember also has several religious assemblies which are always crowded with congregations including: Dzikir and Sholawat Rabu Wage, Sema’an Al Qur’an Jantiko Mantab, Manaqib Al Qodiri, Jember Dhuha Majelis and other assemblies which every weekend or month always hold activities. This is a potential that can certainly be maximized by providing halal-certified products that can be enjoyed by these Muslims.

Jember is a district with considerable potential for MSEs. Data from the Cooperative Office shows that the number of MSMEs recorded in Jember Regency is 7666 units.\(^7\) This number is spread across all sub-districts in Jember. Of all the sub-districts, Sumbersari, Patrang and Kaliwates sub-districts top the list of the largest number of MSMEs in Jember. The data does not contain the number of MSMEs that are halal certified or not, therefore it is important to map MSMEs that are ready and eligible to obtain halal certification, especially by Self Declare.

This important research in Jember area. Since the existence of Mandatory halal, Jember is certainly one of the areas that needs to apply the rules in the JPH Law. Today, there is limited research that specifically analyzes the condition of Jember as a district with significant Muslim potential and the


dynamics of society and government policies. This research tries to map so that it is expected to become a material consideration in advancing policy the halal ecosystem in Jember Regency.

METHODS

This study tries to explore the subject in a qualitative descriptive way. Data obtained from primary and secondary. Primary were obtained from stakeholders in Jember related to the halal ecosystem (MUI, Cooperative and UMKM Office, LPH, Universities). Secondary data was obtained from Jember's Cooperative and MSME Office main data regarding the distribution of MSMEs in Jember. The table below is the Informant profile.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Experience</th>
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<tr>
<td>Sartini</td>
<td>Head Of Diskop UMKM Jember</td>
<td>28 Year</td>
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<tr>
<td>Dian Ika</td>
<td>Disperindag Jember</td>
<td>9 Year</td>
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<tr>
<td>Ervin</td>
<td>Chairman of the MSME Association Jember</td>
<td>10 Tahun</td>
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<tr>
<td>Soni</td>
<td>SMES Actors</td>
<td>20 Year</td>
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<tr>
<td>M.Fathorrazi</td>
<td>Head Of Halal Center Unej</td>
<td>23 Year</td>
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Source: Primary Data (2022)

The table above are some of the informants who are the main source of information for this research. The informants consist of leaders of the relevant agencies (Cooperatives & MSMEs and the Trade Office), the Chairperson of the Jember MSME Association, the MSME actors themselves and academics from the University of Jember (Halal Centre). These informants are key people and experts in their respective institutions and fields. The informants provided authentic information related to the condition of MSMEs in Jember, Indonesia.

Data analysis using Miles and Hubarman's model starts from informant interviews, field observations, presentation, data reduction and repeated conclusions until a saturation point is reached. Triangulation was carried out by confirming the findings between informants in the study. Berikut daftar Informan riset ini
RESULT AND DISCUSSION

Jember Regency is located on the eastern tip of Java Island. This district has abundant natural resources, including coffee, cocoa, and another well-known Jember Regency product, Tobacco. One of the most preferred types of tobacco by the world community is the Naa-Ogst type. The conditions that support the formation of these products are because Jember district is bordered by mountains such as Mount Ijen so that it has highland crops such as coffee and cocoa.

The Gross Regional Domestic Product (GRDP) of Jember Regency has experienced a significant increase every year. This means that annual the overall rate of economic growth increases. Hence, this district is bordered by mountains and the sea, agricultural products are dominant.

Mapping Potential of UMKM Based on District Territories in Jember Regency.

As explained in the previous chapter, natural factors will affect the condition of MSMEs in the area. Likewise with Jember Regency. This area supported by abundant natural resources, the types of commodities from MSMEs are dominated by food originating from Jember itself.

It can be said that MSMEs are the dominant livelihood in Jember Regency because the number of MSMEs is quite large and there is good record of their condition. The following Figure 1. is the number of MSMEs based on sub-districts in Jember Regency.

![Figure 1 Mapping MSMEs in Jember Regency by District in 2022.](image)

The figure above shows the distribution of MSMEs in Jember Regency by sub-district. Presumably it is related to the Halal Certification program which is a mandate from Law Number 33 year 2014 which has been implemented since October 18, 2019 that the socialization and realization of programs related to efforts to promote Halal Certification in Jember Regency by the Halal Center or
Halal Inspection Agency. They should be directed to urban areas than rural areas, apart from the fact that the majority of MSMEs are in cities, it is also that more MSMEs are touched towards the success of the halal certification program for halal food in Jember Regency.

Map of Fostered UMKM Based on NIB (Main Business Number) Ownership in Kab. Jember

As stated in Figure 1, the number of MSMEs in Jember Regency is 7,336 units. However, out of this number, 504 MSMEs have been touched by the government, both through the industry and trade offices and by the cooperatives and MSMEs services. This data is then used as a sample in this study to provide an overview of the ownership requirements required in submitting halal certification in Indonesia, both the regular program and the self-declare program.

The requirement for MSMEs to receive guidance from the government through related institutions is that they must register themselves properly so that they are like human figures, by having good records, the names submitted have gained legitimacy by the community and by the government so that they have been identified properly. The number of MSMEs assisted by the two agencies based on Business Identification Number (NIB) ownership is presented in Figure 2.

NIB is the Main Business Number. A number that is proof that a business has been registered by the government. And one of the requirements for having an NIB is that the business owner must have an NPWP (Taxpayer Identification Number). NIB and NPWP are two inseparable things. As an effort to tidy up the administration, including compliance in tax reports. Business owners need to register their business ownership with the government by having a Business Identification Number.

NIB is also a requirement for submitting Free Halal Certification (SEHATI). The Sehati program has been implemented by the government through BPJPH as an effort to support the halal ecosystem in Indonesia. In accordance with the Halal Mandatory in the 2014 JPH Law. Where every halal product circulating in Indonesia is required to have halal certification.

According to data from the Ministry of Cooperatives and Small and Medium Enterprises, it is stated that. From all the data obtained, only about 7% of MSMEs have NIB. The rest don't have it yet. From these data, the regions with the largest number of MSMEs that do not yet have NIB are in Sumbersari.

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Puger and Kaliwates sub-districts. As for MSMEs that already have NIB with the largest number sequentially, they are in the Sumbersari, Patrang and Kaliwates sub-districts. The data also shows that out of a total of 504 MSMEs registered at the Cooperative Service, around 73 MSMEs have no information. This is duty for related agencies to be completed immediately, especially the Office of Cooperatives and UMKM to encourage ownership of NIB for business actors. Figure 2. Shows MSME data based on NIB.

Figure 2. Mapping MSMEs in Jember Regency Based on NIB Ownership in 2022.

The data above shows the limited ownership of NIB for business actors. NIB ownership is the first step in obtaining Halal certification. Encouragement for MSME actors to register their businesses with the relevant agencies needs to be carried out by the Jember district government. This effort needs to be encouraged because the District Government is the arm of the central government. MSME players will be more interested in registering their business if they will get benefits in the future. This stimulus needs to be done, apart from the fact that the law requires it.

Map of District MSMEs by Type of Business in Kab. Jember

One of the requirements in Halal Certification is to identify the type of business from the MSME proposing it. This is intended to find out how complicated the production process is and what types of food are produced. Based on the data in Figure 3, it appears that most people identify their products towards trade rather than production and services. It is possible that SMEs assume that all traded products are trading commodities. The largest number is located in Puger District, followed by Kaliwates and Patrang.

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Districts. It can be seen here that most of the urban community has been able to identify the type of product than the rural community because the Kaliwates and Patrang sub-districts are urban areas.

In order to provide a more complete description of the type of business data, it can be seen through the map or Figure 3 below.

Figure 3. Mapping MSMEs in Jember Regency by type of business in 2022.

The mapping above shows quite different results from direct observations in the field. Observations made in several sub-districts show that Sumbersari and Patrang sub-districts are the most potential sub-districts for the halal certification programme by Self Declare. These two sub-districts have potential in the food and soft / heavy beverage sector which is quite large in number. The area is an area known as the centre of education in Jember because there are several universities. So, it is necessary to immediately carry out assistance by the relevant agencies or institutions considering that in the two sub-districts the population density level includes very high migrants.

Number of MSMEs based on Turnover in Jember Regency in 2022

Halal certification in Indonesia is divided into two, namely the paid Regular Program Halal Certification and the free Self Declar Program Halal Certification. What distinguishes the two is the turnover and the simplicity of the production process. Another difference is in the process of applying for halal certification itself. The Regular Program does not require a PPH Companion in the process, but the MSME concerned directly submits it to BPJPH and has the right to submit a Halal Inspection Agency (LPH) to BPJPH.

then BPJPH will process the submission by appointing the LPH according to the MSME’s request to conduct an audit of the MSME submitting a request. In this process, the MSME that proposes makes payments according to the tariff set by BPJPH. The payment of this rate is adjusted according to the distance traveled by LPH from the MSME’s domicile. The next process is that LPH will audit the halal production and input processes of the SMEs that propose it. Furthermore, the results of the LPH audit are then submitted to the MUI Fatwa Commission to obtain a halal determination. There are two possibilities in this case, the application for halal certification is determined as a halal product so that it is entitled to obtain a Halal Certificate or it is determined as a product that contains non-halal elements. Furthermore, if it has been determined as a halal product in the MUI fatwa commission session, it will then be returned to BPJPH to make a Halal Certificate.

Unlike the paid regular halal certification program, the self-declared halal certification program includes the SEHATI program (Free Halal Certification) so the process is simpler. Does not require LPH to audit but through a halal statement by the producer which is legitimized by the Halal Supervisor they have. In this case, you need the services of a PPH Companion. The process is as follows: MSMEs who feel that their turnover is less than 500 billion per year or the production process is simple and the halal status is clear, they can go to the PPH Companion or they can be a PPH Facilitator who visits the MSME concerned to help apply for the Halal Certificate process. After the Halal Assurance System has been prepared by the PPH Facilitator and verified at the location, it is then submitted to BPJPH like the Regular Program Halal Certification process. The difference is that LPH does not need to carry out an audit of the UMKM in question, it is enough to be represented by a Halal Statement from a Producer that is legitimized by its Halal Supervisor. The next process is the same as the regular program Halal Certification.

After understanding the differences between the regular program halal certification and the self-declare program, it can be concluded that the difference in turnover is one of the differences between the two. The following data is data on the number of MSMEs based on their turnover per year so that they can be divided into regular programs and self-declare programs. The purpose of this division is to streamline the work of LPH and PPH Facilitators, so that PPH Facilitators are not wrong to visit MSMEs and neither does LPH.

Halal certification is also identified as having a significant impact on the performance of MSMEs. This is because Muslim consumers’ awareness of the
urgency of halal certification continues to increase.\textsuperscript{11} \textsuperscript{12} And this is also an opportunity for MSME players to increase their turnover.\textsuperscript{13} Figure 4 below is a mapping of MSMEs in Jember Regency based on Turnover.

Figure 4. Mapping of MSMEs in Jember Regency based on turnover in 2022.

**Mapping Potential of UMKM Based on Production Process in Jember Regency.**

Halal certification is divided into two, namely the regular program Halal Certification and the Self-Declared Halal Certification program. Both of them are distinguished by the production process. The simple production process means that there is a potential for participation in the self-declare program which does not pay if you take part in the SEHATI (Free Halal Certification) program, whereas if you participate independently you have to pay IDR 230,000. The second type of program is the Regular Halal Certification program which must pay Rp. 650,000 for those who take part independently. This second type of program is intended for a product whose production process is complicated. Based on the sample data in Table 4.8, it can be explained that most people cannot identify their production based on the complexity or simplicity of the production process for their goods. To produce an item, the production process is very important in a company. According to Assauri (2011: 75), the production process is a way, method and technique in creating and

adding to the benefits of an item or service by utilizing available human resources, natural resources and technology.\textsuperscript{14}

Based on the mapping that has been done, there are 431 SMEs that provide feedback about the production process or around 85.5%. While the rest, namely 73 MSMEs (14.5\%) did not provide an answer or no information. All MSMEs that responded answered that there was no production process for the goods they sold. This data is a little confusing because it is logically impossible for all MSEs to not produce. There must be a small portion, one or two MSMEs that carry out the production process, even though it is simple. This can happen because they do not understand what is meant by simple and complicated production processes.

To provide a more complete picture of MSME data based on the production process, the data in Figure 5. will be presented in the form of images so that it is more efficient because it allows it to be presented in only one data sheet giving a broad picture like Figure 5.

Figure 5. Mapping MSMEs in Jember Regency based on the 2022 Production Process.

**MSME Mapping Based on Halal Supervisor Ownership**

One of the requirements in applying for Halal Certification is that every producer must have a Halal Supervisor. Halal supervisors are human resources who are an extension of the government to report on their products to BPJPH on a regular basis. In other words, a halal supervisor is a person who is responsible for the halalness of the products produced in the production process. For the halal certification program, the halal supervisor is required to be certified as having passed the halal supervisor training, but for the self-declare program, because the production process is clear, the production

process is not complicated, aka simple, the halal supervisor can be from the family. Based on the data in Figure 6. it appears that the average Jember community already understands Halal Supervisors so that almost all sub-districts have data on whether or not they have Halal Supervisors.

The number of MSMEs that have Halal Supervisors is Sumbersari sub-district. That is as many as 13 SMEs from 64 SMEs in this sub-district. This means that as much as 23% already have a halal supervisor.

Figure 6. Mapping of MSMEs in Jember Regency Based on Ownership of Halal Supervisors in 2022

Based on the data in Figure 6. and Figure 6. it can be explained that the average MSME already understands the importance of halal supervisors in the production process, namely people who know the critical point when a product can become non-halal in the production process. However, there are still many MSMEs that do not have Halal Supervisor-certified HR so that joining regular independent programs is very difficult to happen. What is possible is that these MSMEs participate in the Self-Declaration program so that the Halal Payments that are formed can come from families who know the production process well so that they can know the critical points in question.15

CONCLUSION

The results of the research and discussion of this research will always be linked to data to reveal the potential of MSMEs in relation to applying for Halal certification, both regular and self-declare programs as follows:

The results of this mapping show that there are challenges that arise in the Halal certification process, among others: First, there are still many MSMEs that have not been neatly registered either ownership of NIB, NPWP, Business Type or other company deeds. Second, Awareness business actors who see halal certification from benefits alone not from responsibility to the state and

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consumers. Third, The limited role of the district government through related agencies in collaboration with universities to encourage the acceleration of halal certification in Jember, especially Self Declare. The hope of all parties with massive collaboration between relevant stakeholders can encourage the acceleration of the achievement of halal certification, especially food and beverages in Jember Regency.

Author’s Contribution
Moehammad Fathorrazi, Agus Mahardiyanto: Contribute to formulating research ideas, collecting data, processing data, and interpreting data.
Moh. Saleh, Suparman, Lusiana Ulfa Hardinawati: Contributing to writing systematics, research methods.
Akhmad Munir, Agus Priyono: Contributing to analyzing interpretation results, the language proofread

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Declaration of Competing Interest
The author declares that there is no conflict of interest.

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