

THE POTENTIAL OF PINEAPPLE-BASED AGROFOOD PRODUCTS AMONG BUMIPUTERA MUSLIM ENTREPRENEURS TOWARDS HALAL INDUSTRY IN MALAYSIA

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Abstract	<p><i>Pineapple crops has now categorized as a new source of wealth crop and becoming world's leading commodity crops after durian and coconut. National Agro-Food Policy catalyses the growth of pineapple based agro-food products both for local and international market. Industry players for this particular products are consisted of mainly Bumiputera Muslim entrepreneurs in Malaysia in which boosting up a portion of halal industry sector for the country. Nevertheless, there are very few literature that focus on this matter, therefore this paper aimed to elaborate on the potential of pineapple-based agro-food products and the role of Bumiputera Muslims entrepreneurs towards development of Halal Industry in Malaysia. This study is carried out through extensive library research and utilizing qualitative approach for both data collection and data analysis. Based on the findings, pineapple-based agro-food products potentially contributed to halal economy significantly due to its marketability in both local and international market. Halal certifications are also needed to be encouraged among Bumiputera Muslims Entrepreneurs as the key success factor for expanding Malaysia's halal economy.</i></p> <p>Keywords: <i>Agro-Food, Pineapple, Halal, Industry, Entrepreneurs.</i></p>
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INTRODUCTION

Pineapple, or *Ananas comosus* belongs to the Bromeliaceae family, is one of the most popular crops planted in Malaysia. It is classified as a significant fruit due to its high potential for generating income for both farmers and countries. In Malaysia, the state of Johor is the highest pineapple producers and holding up the largest plantation area on peat soil after Sarawak and Selangor (DOA, 2021). In the global scale, Malaysia ranked on 22th top pineapple producing countries, nevertheless, the role towards Malaysia's economy are significant towards food security, job security and income especially among small industries (Anizah Md Ali, 2021). In modern Malaysia, the pineapple industry contributed to the expansion of national economy. According to the Pineapple Annual Report 2018 (Laporan Tahunan Nanas 2018), the socio-economy of agricultural entrepreneurs can be developed through the pineapple -based industry in Malaysia, thus playing a major role in increasing national income. By the year 2020, positive trends are observed with the growth rate of pineapple production over the past 10 years with the country's pineapple demand increasing to 3.8%. The growth also observed towards pineapple-based agro-foods and this is the turning point for further development of halal food sector.

In achieving Malaysia's national agenda on strengthening the pineapple industry and sustainable agriculture through the National Agro-Food Policy 2.0 and the 12th Malaysia Plan, the development of the pineapple-based agro-food sector focuses on productivity and quality aspects by farmers and private companies involved to meet domestic and international market demand. Since halal certification now also observed in many countries abroad, the position of halal pineapple-based agro-food should be more in highlight. Therefore, this study aims to (1) study the potential and strategies for pineapple-based agro-food products towards halal industry among Bumiputera Muslim entrepreneurs in Malaysia, (2) investigate challenges of halal pineapple-based agro-food production, and (3) analyse strategies for Bumiputera Muslim entrepreneurs towards lial industry.

METHODOLOGY

To achieve the research objectives, this study utilizes fully library research. For the data collection, the data is extracted from main databases including ScienceDirect, Emerald, Scopus, Google Scholars, and secondary sources from government agencies. The data gathered and analysed through content analysis as the method for data analyses. This study is designed to be exploratory research.

RESULTS

It is found that there are an increasing of demand towards Malaysia's pineapple industry. Malaysian pineapple exports showed that there are exponential increase from year 2016 to 2020 for MD2 and local variants such as N36 and Josapine. In addition the upward trends also observed in demands among countries particularly, China and Middle East countries. By referring to this data, it implies that halal market potential from Middle east showed positive trends towards pineapple-based agro-food products. In 2020, pineapple planting area amounted 17,000 hectares and mainly MD2 variant and expected to be increased. Food safety assurance and halal assurance are also a vital aspects especially for small and medium pineapple-based agro-food industry to secure the market.

DISCUSSION

Potential of Pineapple-based Agro-Food towards halal industry in Malaysia

The pineapple industry is one of the important crops that contribute to the Malaysian economy. Of the over 2000 species of tropical fruit plants, pineapple ranks third after banana and citrus as the main crops used as edible fruits (Jaji et al., 2018). This fruit is widely recognized and known throughout the global consumer for its mixed sweet and sour taste. As one of the crops cultivated in Malaysia, it is considered as the oldest agro-based export-oriented industry in the country (Lun et al., 2014). Furthermore, pineapple plays an important role as a contribution to gross domestic product (GDP). This is reinforced by the fact that Malaysia has 13 main varieties of pineapple; "Ananas Comosus" or "AC" certified and regulated by the Department of Agriculture, Malaysia (DOA). From all the pineapple varieties, Milie Dilard 2 (MD2), or AC9, has been selected as a priority crop under the Economic Transformation Program's National Key Economic Area (NKEA) (ETP) (Nahar et al, 2020).

International pineapple marketing activities can be done either exported fresh or processed. The processed pineapple, mostly categorized as the downstream products. The stem, crown, core, and peel are all removed during pineapple processing. Processed pineapples are like canned pineapple, pineapple pulp and pineapple juice (Lun et al., 2014). Thus, of the total production, about 11% is a contributor to fresh pineapple. In Malaysia, there are a lot more downstream products to be exists produced by Bumiputera entrepreneurs, such as pineapple tart, pineapple jam, pineapple *sambal hitam*, pineapple sauce and many more pineapple-based agro-food products. This diversification of downstream products is aimed at diversifying the choice of more innovative pineapple -

based food products in the market. Furthermore, it is to fulfil the increasing demands in pineapple food-based products based on the supply and demand trend.

Challenges of Halal Pineapple-based Agro-Food Production

Halal is derived from the Arabic word defined as a law allowing an act to be done (in Islam), allowed or permitted. Based on the Trade Descriptions Order 1975, "halal" can be defined as in relation to food in any form whether in the process of trade or business. In Islam, food quality standards are based on the concepts of *halal* and *toyyib* (good quality) as discussed in the Qur'an and Sunnah. The basic principles of *halal* and *toyyib* illustrate symbols of intolerance in critical contexts such as cleanliness, safety, and quality. According to the concept of '*halal toyyiban*' in food products, beverages, slaughterhouses, consumer goods, logistics and so on have been summarized as explained by Allah swt:

﴿يَا أَيُّهَا النَّاسُ كُلُوا مِمَّا فِي الْأَرْضِ حَلَالًا طَيِّبًا وَلَا تَتَّبِعُوا خُطُوَاتِ الشَّيْطَانِ إِنَّهُ لَكُمْ عَدُوٌّ مُبِينٌ﴾

Which means: "O people! Eat of the lawful and pure things in the earth and follow not in the footsteps of shaytan. For surely he is your open enemy." (al-Quran. al-Baqarah: 168).

According to Abdullah (2019), based on this verse, Allah teaches human beings to eat or utilize products not only halal from the point of view of jurisprudence but also from the point of view of science that is clean, safe, quality and well managed. In Malaysia, halal concept is applied as the certification for food. Department of Islamic Development Malaysia (JAKIM), is an Islamic organization which plays important role as the place for documentation of halal certification (Majid et al, 2015). According to Elias et al (2016), JAKIM's halal certification was initially recognised in 1974, when it became the first implementation for the usage of items that matched the halal standards. Halal certification is the process of deciding whether the Bumiputera entrepreneurs have achieved the standards to manufacture halal-certified products or services. It also ensures that consumers enjoy a healthy, safe, hygienic, and high-quality experience. Since the first edition was launched in the year 2000, the Department of Standards Malaysia has released various halal standards (Elias et al, 2016) and currently offering in total of 9 schemes. There are two main general standards to be applied as for halal certification standards, where for producing food products, in terms of preparation, handling and storage (MS1500:2009) and in the matters of logistics (MS400:2010).

Another aspect that helps to enhance halal product is due to presence of halal logo. According to Majid et al (2015), JAKIM's halal logo is one of the most well-known symbols of halal compliance around the world. Once an organisation has been certified, it is permissible to use halal logo to any halal awarded product (Tawil et al., 2015). Malaysia has been a model Islamic nation, contributing to the ever-growing halal industry. As a result, manufacturers must take use of the halal certification and logo's reputation and credibility, as well as Malaysian halal standards that have gained international recognition. For Muslim consumers, however, products with the halal logo are more relevant and vital than those with other certifications (Majid et al., 2015). In Malaysia, halal logo only allowed to be printed on the product packaging if the producer are approved to be halal certificate holder.

For Muslim entrepreneurs, halal certification offered by JAKIM is an important catalyst for product reach since Muslim consumer are now more aware in halal matters. Despite all, statistics showed low number of Muslim-owned companies designated as halal certificate holder. According to JAKIM and Halal Development Corporation (HDC) in 2014, nearly 94 percent of the 2.3 million goods that submitted for halal certification were granted. According to that figure, 5400 businesses have agreed to employ halal certificates, with 87.8% of them being from small and medium businesses (SMEs), but less than 10% of them being Muslim entrepreneurs (Majid et. al, 2015). Furthermore, Halal Industry Development Corporation (HDC) also reported that in terms of halal certification, only 34% is owned by Bumiputera compared to non-bumiputera, which is the remaining

66% from the whole halal certification holders (Tawil et al., 2015). From the data, it can be said that non- Muslim countries and companies are the major player of the industry, such as supply chain of food, production, as the retailers, logistics and agriculture.

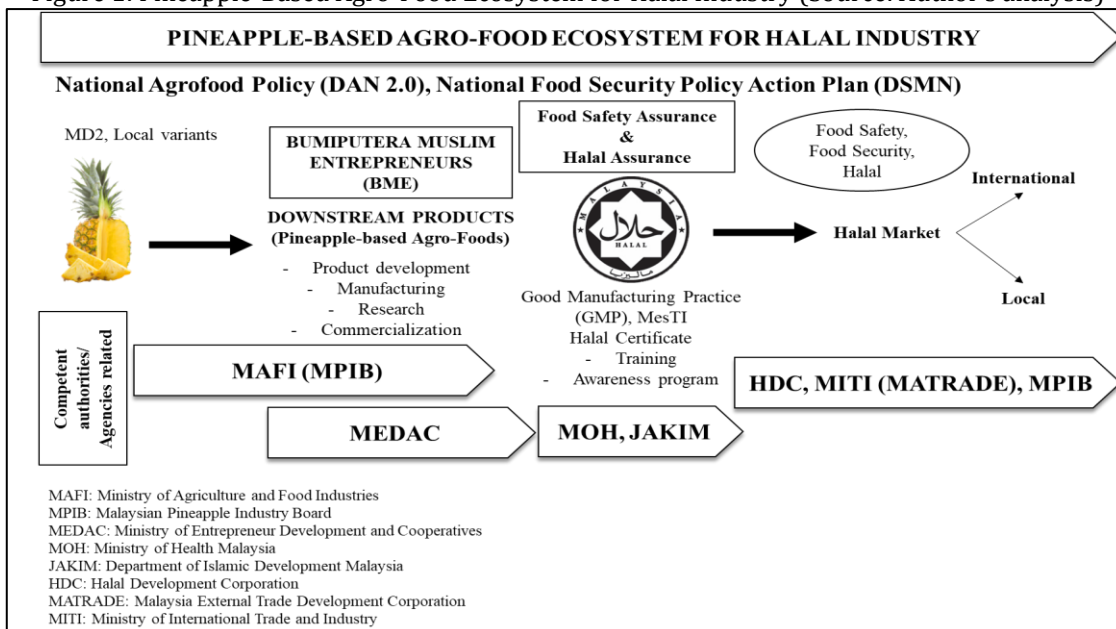
In addition, according to Tawil et al. (2015), the attempt to obtain Halal Certification status is exceedingly challenging for micro and small businesses who seek to break into the local market. The most typical issue is a lack of understanding of certification requirements, which has caused this company to lose interest in expanding. They discovered that a claim or procedure is overly difficult and expensive. Given that at least 80% of food sector SMEs are Bumiputera businesses that produce only lawful food, it is not fair if they are not encouraged to obtain Halal Certification in order to expand their business. Besides that, Hamid (2012) reported that other challenges faced by most SME's pineapple-based entrepreneurs are high cost of machines, difficult to obtain a truly suitable machine, limited capital, no expertise to modify the machines used, manufacturers/manufacturers of technology do not serve because entrepreneurs to understand existing technology due to small transactions, and price problems especially for packaging technology.

Strategies for Bumiputera Muslim Entrepreneurs towards Halal Industry

One of the strategy to boost pineapple industry towards halal industry is through trainings and awareness program. Malaysian Pineapple Industry Board (MPIB) is an official agency that offers training and program for pineapple food-based entrepreneurs, especially for the Bumiputeras. The programs are Transfer of Technology (TOT) and Entrepreneurship program (*Pemantauan Usahawan*). These programs are a noble effort by the Malaysian Pineapple Industry Board to convey and channel information on how to process a product can be produced as well as provide product processing training to new or existing entrepreneurs. Among the products given exposure are such as, processing of sauces, juices, jams, tarts, yarn production (textiles product) and paper production.

Besides, MPIB also offers the Agro-Based Marketing and Industry program (*Program Pemasaran Dan Industri Asas Tani*). This program is implemented to strengthen the market network of the national pineapple industry and enhance the development of entrepreneurs through increased productivity and quality as well as product control. In line with the vision to be the main driver to lead the country's pineapple industry market at the national and global levels through competitive, creative and innovative entrepreneurs.

Figure 1: Pineapple-Based Agro-Food Ecosystem for Halal Industry (Source: Author's analysis)



For halal counterpart, training and awareness on halal implementation are vital. Halal certification requires food safety elements that must be fulfilled. The competent authority for halal certification scheme, JAKIM governs halal certification in Malaysia and encourage small businesses, particularly SMEs among Bumiputera entrepreneurs, to apply for halal certification. Many food producers are apprehensive about applying for halal certification. Nevertheless, this can be remedied through training and awareness programs. Due to the process of halal certification of food products is not that difficult, MPIB through trainings and programs could promotes Bumiputera entrepreneurs in producing pineapple-based agro-food products in International Halal Food Hub as a mission to be a platform of the awareness, in order to uplift the level of Bumiputera entrepreneurs in Malaysia. To achieve this, Bumiputera entrepreneurs must be willing to get certified for the products because Malaysia's halal logo is recognized in many parts of the world. Apart of being a member of the Organization of Islamic Conference (OIC) and promoting halal hub, JAKIM with the involvement of various government agencies (MAFI, MEDAC, MOH, HDC, MITI) as shwon in Figure 1 are crucial to provide relevant resources for the Bumiputera pineapple-based agro-food entrepreneurs in to give guidelines and awareness for them to apply halal certification, as a collaboration between MPIB and JAKIM.

CONCLUSION

Pineapple industry, especially pineapple-based agri-food has shown significant increase of demands both local and international marketplace. Since pineapple-based agri-food has now became the most popular crops for its valuable market, it is also an open window towards the enhancement of Malaysia's halal industry. The key player for halal industry in this sector, the Bumiputera Muslim enterpreneurs should take this opportunity to take part in contributing towards the expansion of halal economy into global reach. The numbers of halal certificate holders must be improved further on in order to secure total compliance of halal standards, food safety assurance as well as resilient halal industry. Therefore, the industry players, the government agencies must work hand-in-hand to uplift pineapple-based agri-food as one of the profitable source within halal ecosystem.

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