

# Establish Halal Market Access, New Zealand an Example

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**Abstract:** New Zealand is from the largest exporter of lamb and beef in the world, and accounting for around 47% of the world's trade in lamb. The New Zealand meat sector has always been a principal driver of the New Zealand economy system, generating approximately \$7.5 billion annually in export earnings. The Halal meat grade is playing an increasing role in meat production and market in New Zealand and worldwide. Standardization halal meat production with government oversight is very important for development of meat export sector. This paper will highlight in the development of the standard and regulation in New Zealand halal meat industry. Methodologically, the paper will analyse the investment that formed through meat industry and New Zealand government to approach a modern legislations and rules to regulate the Halal meat production. The findings from this paper showed that, New Zealand has developed fundamental standards for Halal meat production and this drove New Zealand to be a key country to exports Halal certified meat.

**Keywords:** Meat Industry, Halal Meat, Halal Market, Halal Standard

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## 1. Introduction

Halal products or food are fast gaining worldwide recognition as a new trade market for food safety and quality assurance. Products that are produced with Halal certification are readily acceptable by Muslim consumers as well as consumers from other religions. This acceptance is due to the wholesomeness concept of Halal, which covers not only the religion (Shariah) requirement, but also the Halal system met the animal welfare, hygiene, sanitation and food safety aspects.

The Muslim population estimated to have exceeded 1.8 billion. With the global Halal market estimated to be worth about US\$150 billion a year and the Halal food industry continuing growth expend [1]. In general, Muslim consumers usually seek for the halal products that labelled and certified from Approved Halal Organisations (AHOs). There are many organisations in the respective countries that produce the halal certificates. New Zealand has developed regulatory standards for Halal meat production named as Halal Notice 2010 [2] and 2013 [3]. These standards are administered by Ministry for Primary Industries (MPI), which is the

government regulatory agency that also administers New Zealand's food safety regulatory framework. In this paper will discuss the issues involved in the development of halal meat products in New Zealand and will review of the importance of halal concept across the animal stunning procedure, slaughtering process and preparation.

## 2. Material and Method

### 2.1. Halal Market Overview

Exports of Halal meat from New Zealand began in the 1970's when the industry developed Halal systems to enable export to Middle East Halal markets. In October 1979, the meat producers Board concluded a contract with Iran to supply up to 200,000 tonnes of Halal lamb meat over a four-year period. At that time Iranian were insistent the Halal slaughtering requirements. Halal meat processing has evolved to become a cornerstone of the industry's business model of finding the best market for each types of meat, as it enables the industry to access Muslim countries like middle east, North of Africa, and Muslim consumers in other markets such as Europe, North America and China [4].

Nowadays the market of Halal products is widely distributed throughout the world. This has caused an increase in the demand for Halal products not only by Islamic countries but also by non-Islamic countries [5, 6]. In view of that, a Halal supply chain is vital in ensuring that the concept of Halal is not only applicable for the food itself but also for the entire supply chain starting from the farm to the customer. Furthermore, the Halal concept which means wholesome also encompasses safety, quality and cleanliness of foods, and its logistics process becomes more attractive and lucrative.

New Zealand is the world's largest exporter of sheep meat and ranks sixth or seventh globally as a beef exporter. It exports meat to 77 countries. In the year of 2016 the exports of red meat and co-products were worth \$7.5 billion, and the 26 percent of all beef and sheep meat exports are Halal-certified according to the country's Meat Industry Association [7], the country's exports to Organisation of Islamic Cooperation (OIC) countries were worth \$576 million New Zealand dollars for the year of 2014-2015 [8]. During that period, New Zealand exported 239,000 tons of Halal-certified meat, representing just over a quarter of its total red meat exports. Of this, 83,817 tons (35 percent) went to OIC countries and 154,912 tons (65 percent) to non-Muslim markets. The top export market was China at 78,000 tons, or 33 percent of total Halal meat exports; followed by Saudi Arabia at 25,000 tons, or 10 percent; Malaysia at 19,000 tons, or 8 percent; and Canada at 10,000 tons, or 4 percent.

There are two main reasons for New Zealand companies to obtain Halal certification and labelling of meat before it is exported, the importing country (typically in the Middle East and South-East Asia) requires it as a compulsory market access condition, or the end-customer requests it for their own commercial reasons. With the increase in Muslim population in non-Muslim countries like Europe US and Australia, the Halal meat supply chain has expanded to become complex and global in nature, adding a number of complexities in ensuring that the Halal product retains its Halal status from farm to fork [9], and leading to the questioning of the authenticity of the Halal meat being sold in supermarkets and fast food restaurants [10]. Muslim consumers believe that for product to remain Halal, it has been stored separately and not mixed or contaminated with prohibited food products [11, 12]. To combat this arising new issue, of Halal authenticity a certain set of Halal standards was established by several governments such Malaysia, Indonesia, United Arab Emirates (UAE), Gulf Cooperation Council Countries and Austria.

In 2010 Malaysia signed an agreement with New Zealand reconciling Malaysia's Halal laws with New Zealand's animal welfare requirements. This included Malaysia's recognition and acceptance that New Zealand animals are stunned prior to slaughter [13]. Malaysia formulated a precise standard and guidelines for halal food in 2004, the regulations were developed by government, universities and industries agencies [14]. The standard describes the practical

guidelines for the food industry for whole process preparation and handling of halal food, starting from the selection of raw materials until the distribution and marketing activities. It is the basic requirement for food production process in Malaysia. In addition to Malaysia, New Zealand's compliance to Halal slaughter requirements and New Zealand Halal meat is widely accepted in other Islamic countries such as the Gulf Cooperation Council Countries, Egypt and Indonesia [15].

In countries where Halal certification and labelling is not a compulsory requirement, the decision is often the retailer's, as New Zealand meat is often not exported in 'retail-ready' form. The final packaging is generally done by the retailer in the market. Whatever the labelling of New Zealand lamb or beef, consumers can be assured that the animal will have been stunned before slaughter (Halal stun procedure) and die without pain.

There were also significant, and greater, exports of Halal-certified meat to Muslim customers in non-Muslim markets, although it is difficult to calculate the value of Halal-certified exports to non-Muslim markets as the official trade data does not distinguish between Halal and non-Halal exports. Another Halal market was exposed few years back is the export of poultry meat. Tegel Foods Ltd (New Zealand's market-leading poultry producer) is exporting to the Middle East and North Africa region, while dairy producer Fonterra Co-operative Group Limited is expanding its overseas Halal sales, bolstered by two manufacturing facilities in Malaysia that produce 18.5 million packets a year of its Fernleaf and Anlene milk products. Dairy company Miraka Ltd. is also looking to increase its Halal exports to Southeast Asia from \$247 million New Zealand dollars (\$179 million) to \$500 million New Zealand dollars (\$363 million). Also, New Zealand firms such as restaurant franchise Burger Fuel have also expanded abroad to tap into demand for grass-fed Halal meat, with the company recently entering the Egypt, Iraq, Saudi Arabia, and UAE. New Zealand manufacturers are focusing on diversification as well, especially in the meat industry. In addition to producing different cuts and co-products, many New Zealand meat-processing companies are producing value-added products, such as burger patties, that are Halal-certified. This is part of the strategy to maximize the economic return of the whole animal.

## ***2.2. Electrical Stunning***

The EU requirements for humane slaughter of sheep and bobby calves were set out in May 1974 by killing the animal through electrical stunning, and similar requirement from US was produced around the same time [4].

The major Halal criteria that must be met while slaughtering that the animals must not to be killed prior to the Halal incision, and animal must be killed by clear-cut (Sever the trachea, esophagus, both the carotid arteries and jugular veins to hasten the bleeding and death of the animal), any deviation from that will render the animal unfit for Muslim consumption. The animal should be slaughtered by a sharp object (knife) immediately after stunning, which is capable to

make the bleeding very fast by severing blood vessels. Amongst the guidelines established for a Halal slaughter is the unwavering fundamental that the animal must be alive at the time of slaughter and the blood must be drained out. Therefore, negotiation over the Iranian and other Muslim countries made it clear that killing the animal by electrical stunning would not be acceptable to Muslims. It has been witnessed that on many occasions animals subjected to stunning arrive at the slaughterer dead. This is due to either the unbearably high voltage or a delay in the time it takes to get to the slaughterer if the stunning is irreversible [16, 17]. Sometimes it can also be because animals are drowned in the stunning tank. It has been noted that the problem of dead animals reaching the slaughterer is invariably present in all the slaughterhouses that use the stunning method. Stunning the animal before slaughter at that time leaves a huge doubt into the Halalness of the animal as many could be killed by the stunning especially in the case of poultry. Furthermore, it prevents the drainage of entire blood resulting in it being retained in the animal tissues and retained blood causes growth of germs and bacteria, and it deprives animals from the benefits of Halal.

A Massey University team led by professor David Blackmore developed a method and parameters were praised by international animal welfare and met the Halal requirement [16, 18, 19]. In this method, the animal remains technically a live in that it would recover from the stun without ill effects if not bled out. The stunning method ensuring the animal were unconscious and insensible to pain at the time of slaughter. Then the pre-slaughter stunning is becoming a popular practice during Halal slaughter [20]. Khalid et al [21] compared the amount of blood loss during the Halal slaughter of lambs following traditional religious Slaughter without stunning or Halal slaughter after electric head-only stunning, and the results showed that the bleeding of lambs is largely completed by 2 minutes and there were no significant differences ( $P > 0.05$ ) in final blood loss between treatments.

In New Zealand it is compulsory for all animals to be stunned before commercial slaughter "Halal cut" to the throat, i.e. the pre-slaughter stun is not powerful enough to kill the animal. Stunning ensures an immediate loss of consciousness to prevent animals from feeling any pain during the slaughter process [17]. reversible electrical stunning is used to ensure that animals are rendered unconscious instantaneously and remain unconscious at the time of slaughter, thus complying with both animal welfare and Halal requirements. The requirement for animals to be stunned prior to slaughter is contained in the Animal Welfare (Commercial Slaughter) Code of Welfare 2016, which is available on the Ministry for Primary Industries website [22]

### 3. Results and Discussion

In 2004, Malaysia developed the first halal standard as a Muslim nation country. The standard describes the practical guidelines for the food industry for whole process

preparation and handling of halal food, starting from the selection of raw materials until the distribution and marketing activities [14]. Similarly, in 2010, New Zealand became the first non-Muslim country to perform an official Halal notice under the government over vision [2, 3]. These notices included all standards and requirement that needed to produce Halal Meat. As result of that, all New Zealand processing plants, including those that undertake Halal slaughter, have MPI veterinarians on-site who monitor slaughter and processing operations. In addition, New Zealand already has a Halal Assurance Scheme enforced under Animal Products 'Overseas Market Access Requirements for Halal Assurances Notice 2013' [3]. Currently, almost 90% of exports red meat from New Zealand with halal certification [23].

Over the last six years, in response to an industry request, there has been government oversight of Halal meat processing through the Halal Notice administered by MPI [2]. During the year MPI undertook consultation on significant changes to the regulatory framework, specifically to widen the scope of the Notice and to put in place a number of more detailed requirements for Halal processing.

Plants that undertake Halal slaughter must be listed by MPI and operate under Halal programmes that set out how the plant will undertake Halal processing. The plants must ensure that the Halal programmes are consistent with all other regulatory requirements, including those covering food safety and animal welfare. Halal programmes must approve by AHOs and must be registered with MPI. Approved Halal Organisations that undertake Halal auditing and certification must be approved by MPI, and their auditing and certification staff must meet a number of competency requirements including New Zealand Qualifications Authority (NZQA) unit standards [24, 25, 26]. Anyone who undertakes Halal slaughter (Halal slaughterman) must also meet a number of competency requirements including NZQA unit standards that cover knowledge of Shariah Law; knowledge of stock recovery; knife handling and sharpening skills; hygiene and food safety and work safety [27, 28, 29].

Given the importance of Halal processing to the New Zealand meat industry, nearly all of the processing plants that are approved to undertake slaughter and processing for export are also approved to undertake Halal processing. Nearly all the sheep and cattle that they process are slaughtered according to Halal requirements, which gives the ability to export a wide range of products to Muslim countries and Muslim customers in other markets. Ministry of primary industry believes that having a robust regulatory and standard framework is vital for the industry, and is supportive of the proposals to widen the scope of the Notice to cover all products that are intended to be exported as Halal or non-Halal.

The animal welfare is a major concern for the New Zealand livestock export industry. It is important that the meat industry well recognise to meet animal welfare criteria and Halal requirement. In New Zealand it is compulsory for all slaughter house to stun the animal before slaughtering but

at the same time the stunning procedure is fit for Halal requirement, the stun is not powerful enough to kill the animal (reversible stunning). Irreversible stunning before slaughtering may cause fibrillation of the heart or there may be significantly damage the animal brain, in the case the stunning will cause death before slaughter, and then the products will not be accepted from Muslim consumers [30]. The most important of Halal requirements is that the animal must be alive at the time of slaughter. It is clearly that the Muslim or the majority of Muslim accepts the New Zealand Pre-Slaughtering stunning method.

This study results brief that there is a great demand and interest for Halal meat product in New Zealand. Therefore, New Zealand developed modern Halal standard to meeting this demand. This improvement could lead to national economic growth.

## 4. Conclusion

In conclusion, New Zealand's red meat industry has evolved to produce meat that can be customised specifically to meet the Halal requirement. New Zealand Halal standards and Halal certification is well recognised and accepted worldwide. It will enhance the sustainable competitive advantages of New Zealand and most importantly provide the consumer with a value-added product. This is leading New Zealand to be an example for establishing the global Halal market.

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