



The Impact of Halal Certification on MSMEs: Improving Business Legality and Market Access

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Abstract:

Community Service in Sumber Duren Village aims to increase the understanding of Micro, Small and Medium Enterprises (MSMEs) regarding halal certification through a series of training and assistance on business legality. This activity focuses on three main aspects, namely creating a Business Identification Number (NIB), processing Halal certification through the Halal Center, and understanding the product registration process with the Food and Drug Supervisory Agency (BPOM). Through a participatory approach and based on community needs, this training not only provides theoretical understanding but also direct assistance in the legality application process. So the results of this activity show an increase in knowledge and awareness of MSME players regarding the importance of business legality to expand markets and increase product competitiveness. With stronger legality, MSMEs are expected to be able to increase their income in a sustainable manner.

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INTRODUCTION

Sumber Duren is a village in Krucil sub-district, Probolinggo Regency, East Java, Indonesia, with a population of around 2,114 people in 2025, and an area of around 202.53 km². Sumber Duren Village is a village that is classified as good in terms of social, cultural and educational service quality and is considered active in various ways. Several educational institutions such as schools and Islamic boarding schools exist in this village. And also economic institutions and private businesses to support the economic needs of society.

Sumber Duren Village is rich in (*Usaha Mikro Kecil Menengah*/UMKM) products, such as banana chips, coffee, milk and handicrafts. But it still doesn't have clear legality, such as halal certification, (*Nomor Induk Berusaha*/NIB) and BPOM permission. Several business activists in this village do not know how to take care of halal certification, NIB, and utilize digital marketing. As a result, it is difficult for their superior products to compete and reach a wide market (Yusniarti, 2024; Mutmainah & Yulistiyan, 2023; Hasan, 2021). With business legality in the form of halal certificates and NIB, consumer confidence soars and sales opportunities in the marketplace or exports are wide open. Plus, through simple training on creating social media content and optimizing online stores, Sumber Duren Village products can be recognized at minimal cost.

With training for the people of Sumber Duren Village, it is hoped that Sumber Duren Village can become a modern UMKM center: business activists will be more confident in handling official documents, skilled at digital marketing, and local products will become increasingly global and competitive.



Figure 1. Sumberduren Village Office

The role of the halal center as an institution that certifies UMKM products in the food industry is really needed by UMKMs. The Halal Center is an institution or institution formed to support the development of the halal ecosystem, especially in the food industry. The origin of the formation of the Halal Center was motivated by the increasing awareness of the Muslim community regarding the importance of consuming halal products and the need for industry to comply with increasingly stringent halal regulations, both at the national and international levels.

In Indonesia, the Halal Center began to develop along with the implementation of Law no. 33 of 2014 concerning Halal Product Guarantees, which encourages the birth of various halal centers in universities, research institutions and government agencies (Bahrudin et al., 2024; Wildan et al., 2024). The role of the Halal Center in the food industry is very strategic, including as a facilitator of halal certification, a provider of education and training to business actors, a center for halal product research and innovation, as well as technical assistance in the food production chain.

The existence of the Halal Center provides many benefits, such as helping UMKM and large industries meet halal standards, increasing the competitiveness of local products in the global market, and guaranteeing consumer confidence in the halal and safety of the products consumed (Hashim & Mohd Nor, 2022; Anwar & Sarip, 2024). In this way, the Halal Center contributes directly to the growth of the halal economy and the strengthening of an ethical and sustainable food industry. The main objective of the Halal Center is to support the creation of a standardized, trusted and sustainable halal product guarantee system. In more detail, the Halal Center's objectives include:

1. Providing education and outreach about the importance of halal products to the public and industry players.
2. Accompany the halal certification process, from preparation to fulfillment of halal documents and audits.
3. Increasing the capacity of business actors through training, workshops and technical guidance related to halal production.

4. Become a center for research and development (R&D) in the halal sector, including innovation in food materials and technology.
5. Guarantee the halal and goodness (thayyib) of food products so that they comply with Islamic law and international quality standards.
6. Encourage the growth of the national halal industry and strengthen the competitiveness of halal products in the global market.

The role of the halal center in certifying halal products in Sumber Duren Village is in the form of providing training. Sumberduren Village, BPS. (2024) where the majority of citizens are involved in micro, small and medium enterprises (UMKMs) in the food and crafts sector, still face obstacles in fulfilling legal requirements—such as registering a Business Identification Number (NIB) through OSS and halal certification – BPOM—as well as in marketing products digitally through e-commerce and social media. Therefore, the Thematic KKN program in this village will provide integrated training which includes technical guidance for submitting NIB, the Halal Center–BPOM certification process, with the aim of strengthening the capabilities of MSME players, increasing business legitimacy, expanding market share, and encouraging sustainable local economic growth.

RESEARCH METHODS

The training activities were carried out at the service location located in Sumber Duren Village. Sumber Duren Village is a village in Krucil District, Probolinggo Regency, East Java, Indonesia. The Sumber Duren village office is located in Dusun Krajan, RT 002, RW 001. This PKM uses a partnership approach (community based participatory research) by involving community members, village heads, Roto and Sumber Duren village officials, farmers who own businesses and students from surrounding Islamic boarding schools, students and researchers themselves.

The number of people who attended the training activity was 49 people with the following details: Kepala Desa, 9 Perangkat Desa, 14 Farmers from local UMKM and 20 students and Youth from Sentul Village. In this PKM, all partners as a whole contribute their expertise and various knowledge in decision making. The Village Head contributes to the mobilization of Village officials, Farmers and SMEs as product providers, village youth and students as part of digitalization and administration. Meanwhile lecturers and PKM participants contribute to knowledge of halal certification and business legality and provide material related to halal certification and NIB processing material and so on. The material presented in this activity is the meaning of Halal certification, Managing Business Identification Numbers (NIB), material about BPOM, healthy and nutritious food, halal certification, as well as education about identifying halal and non-halal ingredients in the production process.

RESULTS AND DISCUSSION

Site Survey and Training

The initial stage of the series of PKM activities is carrying out a location survey in the Sumber Duren Village community, which functions to observe and confirm the location and targets of the activities. Based on the results of the location survey and discussions with the village head, village officials, and the village building in Sumber Duren Village was used as a place to carry out halal certification training.

In order to support the development of UMKMs in Sumber Duren Village in the field of business legality, it is necessary to carry out training related to halal certification.

This certification is important to improve quality, consumer confidence and the competitiveness of local products in the wider market. This training aims to provide UMKM players with an understanding of the importance of halal products, the steps for registering for halal certification, as well as education about identifying halal and non-halal ingredients in the production process.

Activities carried out include technical training in processing halal certification, workshops on identifying halal raw materials, preparing practical guides, as well as assistance with halal product branding.

The targets of this activity are food, beverage and craft UMKMs, as well as the general public who want to become village halal agents. By collaborating with the university's Halal Center or LPPOM MUI as partners, it is hoped that participants will get accurate and practical information about halal certification.

During the training activities, participants were given material regarding the meaning of halal certification, halal application mechanisms for UMKMs, NIB submission. This halal certification training was carried out by the PKM team through presentations using PowerPoint media.

The output of this activity includes increasing participants' understanding of the halal certification process, at least three UMKMs ready to apply for halal certification, and the preparation of a practical guidebook on halal certification. It is hoped that this activity can be the first step to make Sumber Duren Village an active village in developing halal products, as well as supporting the community's sustainable economic growth.



Figure 2. Halal Certificate Training

Halal certificate training for UMKM (Micro, Small and Medium Enterprises) in Sumber Uren village has a very important role in supporting the competitiveness and sustainability of businesses, especially in that village. The aim of Halal Certificate Training for UMKMs in the durian source village is very important Increase MSMEs' understanding of the concept and importance of halal in food, beverage, cosmetics and medicine products (Prawiro & Fathudin, 2023). In addition, preparing UMKMs in the Sumber Duren village so that they can meet halal certification standards in accordance with the provisions of the Halal Product Guarantee Organizing Agency (Badan Penyelenggara Jaminan Produk Halal/BPJPH).

Likewise, there is halal certification in the village of Sumber Duren. Encouraging business formalities, especially so that UMKM products are more trusted and accepted by the wider market, including exports. With this training, it is hoped that violations of

halal principles will be reduced due to lack of information or knowledge of business actors.

This training has been felt to be beneficial for UMKMs in Sumber Duren village. Increased product credibility – Halal certified products are more trusted by them. In addition, in some materials they understand that there is halal certification, wider market access - can enter the modern retail market, exports and sectors that require halal products. So that competitiveness increases - Products have added value compared to similar products that have not been certified. on certain matters regarding regulations, UMKM actors understand compliance with regulations - Avoiding legal sanctions for not meeting the required halal standards.

Assistance with digitalization of products

Assistance was also provided with the digitalization of halal products by helping UMKMs package their products with halal branding through creating logos, packaging and promotions on social media based on halal products. In this session, apart from that, they participated in this training activity and partners were also seen from their enthusiasm in conveying the experiences, obstacles and needs they faced in the business legalization training process. Speakers from the Unuja Halal Center play an active role in interacting with mentoring participants and facilitators to understand administrative procedures, the benefits of legality for business development, as well as business management strategies that comply with government regulations. This involvement shows the commitment of partners to improve their business governance and become part of a more orderly and highly competitive economic system.



Figure 3. Speakers from the Unuja Halal Center

The material presented in this activity is how to create a logo using Canva, as well as how to operationalize the Halal application from the BPJH Ministry of Religion of the Republic of Indonesia (KEMENAG RI) and also the Business Identification Number (NIB) Management application in the SSO application. It is hoped that this material can provide knowledge about digital operations in several of the applications that have been explained.

Collaboration between the Halal Center

This activity also has an impact on the mutual symbiosis between UMKMs in Sumber Duren Village and Nurul Jadid University in the form of partner collaboration in the field of Halal certification for products to be certified. Establishing communication between the Nurul Jadid University Halal Center and the Sumber Duren Village Government to facilitate certification applications, in addition to the role of the Nurul Jadid University Halal Center as a resource in the field of halal certification for UMKM products in Sumber Duren Village in the future.



Figure 4. Collaboration between the Halal Center

As is known, several problems with UMKMs in Sumber Duren Village include the community's lack of understanding of halal certification. Including NIB processing, product submission forms, administration and so on. This is a concern of the Halal Center of Nurul Jadid University, which is an institution or unit that acts as a service, education and assistance center regarding halal products, especially in the food, medicine, cosmetics and other consumer goods sectors to play an active role in educating the public, especially UMKMs. This institution under the auspices of Nurul Jadid University has competence in the field of halal certification assistance.

Apart from that, the Unuja Halal Center also plays a strategic role in supporting government policies, such as implementing the Halal Product Guarantee Law, as well as building a strong and sustainable halal ecosystem. With its existence, the Nurul Jadid University Halal Center becomes a bridge between UMKM business actors in Sumber Duren Village in ensuring that the products circulating are safe, healthy, halal and of good quality to UMKM business actors in Sumber Duren Village.

The collaboration between the Unuja Halal Center and the Sumber Duren Village Government is an important aspect in the success of the community service program, especially in increasing awareness and understanding of UMKM business actors regarding the importance of legality in running a business in the form of halal certification, especially in the wider community in general (Aini et al., 2023).

One form of cooperation in halal certification is the establishment of halal agents in villages or establishment of a halal agent. In this activity, a halal agent is formed by training community representatives to become village "Halal Agents", namely people who understand certification procedures and can help other UMKMs with administrative assistance in the future. So it is hoped that with this halal agent, the public will be quickly served in processing all the complete administrative requirements, including documents,

forms, etc. A halal agent was formed to facilitate coordination with the halal center at Nurul Jadid University as a representative from the village.

CONCLUSION

Based on the description above, it can be concluded that First: If UMKM products are certified halal, they will have an impact on the product. with products that are halal certified, the level of public trust in the product will increase, and the economic value of their products will also increase. Second: the village community's understanding of the existence of halal certification is still lacking, therefore the institution authorized to certify halal products must step in directly to socialize and communicate to the community this halal certification program.

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