

Implementation of Halal Certification Assistance by LP3H Institut Agama Islam Sahid Bogor for MSMEs in Bogor Regency (2023-2025)

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Abstract: Self-declared halal certification is a government-regulated scheme limited to MSMEs products that do not pose a significant risk. There are 1400 products that have been independently certified under the guidance of the LP3H Islamic Institute. The quality and marketing of 90% of certified products require assistance from the Halal Product Guarantee Agency (BPJPH). In launching the government program to assist MSMEs, the Halal Product Certification Service Agency (LP3H) of the Sahid Islamic Institute collaborates with businesses whose products are already halal-certified to enhance the quality and marketing of their products to a broader consumer base. The implementation method of this Community Program begins with, first, collecting data on MSMEs at the Sahid Islamic Institute LP3H. Second, categorizing the types of businesses owned by MSMEs under the LP3H INAIS umbrella. Third, selecting MSMEs based on the suitability of their businesses/products to improve their quality. Fourth, collaborating with MSMEs as partners of the Sahid Islamic Institute LP3H. The objective of the Community Service Program is to evaluate the quality of MSMEs products and enhance marketing after obtaining free halal certification declared by the Indonesian government. The benefits include improving community welfare and the quality of halal food in Indonesia. The outcomes of this community service are that all MSMEs activities supported are properly documented on an ongoing basis, second is product quality.

Keywords: Product Quality, Halal Certification, Self-Declaration, MSMEs

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1. Introduction

Supporting the West Java Trade and Industry Agency's program is important for the Sahid Islamic Institute Training Center (LP3H) in Bogor. Helping MSMEs obtain Halal Certification is one of the most important ways to improve the competitiveness of MSMEs in West Java. Many Muslim communities in Indonesia still face difficulties in obtaining or applying for Halal certification, despite the abundance of information available on social media and the official websites of the BPJPH and the Indonesian Ministry of Religion (Nurani et al., 2020). The challenges faced by business operators regarding the lack of or failure to apply for Halal Certification include: the technical/practical steps involved in obtaining Halal Certification are not fully understood by business operators, the required criteria are not met and cannot be fulfilled (such as NPWP and NIB) according to the type of business operated, the process flow for self-declaration and regular certification to obtain Halal Certification is not well understood, the costs incurred by MSMEs in obtaining halal certification are not known until the certificate is issued, many MSMEs do not use Android smartphones, leading them to perceive the halal certification process as difficult, and halal certification is considered unnecessary in countries with a Muslim minority/majority like Indonesia.

The government continues to conduct outreach and mobilize training institutions on the importance of halal certification in enhancing the competitiveness of MSMEs. On October 17, 2024, through the government's Sehati program, the target of 1 million self-declared MSMEs certificates was successfully achieved. The number of certifications continues to increase, but not significantly in terms of changes in MSMEs income, as reported by the Trade and Industry Office, so it is necessary to study and assist business actors in the Sahid Islamic Institute environment. Another issue is that while the number of MSMEs certificates continues to increase, there has been no noticeable change in the number of products circulating in the market. Halal certificates have met the government's target, but MSMEs business operators have not yet felt the impact of increased consumer demand. This indicates that there are other more significant factors for improving the economy, such as product quality and marketing. Muslim

communities in Indonesia and other majority-Muslim countries remain a significant challenge for the state to raise awareness of the importance of halal certification and to create/implement a halal lifestyle (Syafitri, 2022).

Malnutrition rates remain high among Indonesians year after year due to many factors, one of which is the circulation of unclean snacks. This problem can be greatly improved by increasing the quality of processed foods (animal, vegetable, and marine) by meeting halal standards so that snacks/MSMEs products circulating in the community are of good quality and halal.

2. Materials and Methods

2.1 Literature Review

The government spent a huge amount of money on the SEHATI program, which is a self-declared halal product certification program, from 2021 to 2024 in Indonesia and has re-declared the SEHATI program for the 2025-2026 period after it closed on October 17, 2024. The self-declared halal certification program for the 2021-2024 period has grown rapidly in terms of quantity. At the meeting between LP3H and the Association on January 31, 2025, the government planned to increase the target for halal certificates to 10,000 per day (BPJPH, 2025). Certified products are expected to not only increase in quantity but also in quality, thereby impacting the increase in production, distribution, and food security for Muslim families.

The State of the Global Islamic Report (2019) states that Muslim family consumption of halal industrial products reached approximately USD 2.2 trillion, consisting of food, beverages, pharmaceuticals, and halal lifestyle-related products. This consumption is projected to increase to USD 2.4 trillion by 2024 (ISEF, 2025). This is driven by the growth of various industries such as: halal food and beverages, pharmaceuticals, cosmetics, Islamic financial services, halal tourism, Muslim fashion, and Islamic media. In 2019, the government also mandated halal certification for food and beverages and launched a free (sehati) self-declaration program. On October 17, 2024, the government officially completed the free (sehati) self-declaration program after the target was met. The self-declaration program is now paid again with a fee of 230,000/certificate, and in 2025, the sehati program (free certificate) will be reopened. This has sparked increased interest among business actors in obtaining halal certification for their products.

The Halal Product Assistance Agency (LP3H), which handles self-declared products, assists the government in promoting halal food, recruiting and mobilizing Halal Product Assistants (PPH) to assist business actors (PU) in both urban and rural areas in Indonesia. LP3H plays an important role in the government's Sehati program. The tasks of LP3H include conducting training for prospective PPH, mentoring, monitoring, and distributing honoraria after tax deductions.

2.2 Research Method

Based on the title and background of the problem in this study, the type of research is qualitative. This is in line with Sugiyono (2017) theory, which states that qualitative research requires broad insight, both theoretical and practical, that occurs and develops in a social context. The approach used in this study is empirical legal. Empirical legal research is legal research related to the enforcement or application of normative/action law in specific legal cases that occur in society (Pradana et al., 2024).

Based on the issues studied, the function of LP3H according to regulations is to comply with Indonesian halal standards and to provide assistance to business actors until halal certification is issued. The implementation of this research includes activity planning (observation), socialization of free halal certification (sehati and regular), and research implementation. This research directly observes the production process and conducts direct interviews with business actors at their respective production sites. The production process of MSMEs products is adjusted to the halal standardization regulated in the Indonesian Halal Product Guarantee (JPH) Law.

3. Results and Discussion

Halal-certified MSMEs products under the Halal Product Certification Process Companion Institution of the Sahid Islamic Institute (LP3H INAIS) fall into two categories: free self-declared (sehati) and paid (regular). While the product quality is good, not all can be developed for national or international marketing. The number of business operators interviewed directly in this study is 120 people. Business operators who received assistance in improving quality and marketing totaled 12 MSMEs. Business operators continuously assisted by the Halal Product Certification Support Institution INAIS represent

businesses that have already obtained halal certification. The types of certified products include beverages and various fruit juices, snacks, various cakes and baked goods, chicken noodles, chicken porridge, donuts, and others.

Based on data obtained from LP3H Institut Agama Islam Sahid Bogor, the number of self-declared halal certificates issued is: 1,700 certificates. The number of Halal Product Advisors (PPH) working to assist MSMEs in obtaining all these certificates is: 34 people. The top 5 PPH mentors are Ade Alimuddin, Sandi Witjaya, Abdhul Rojak, and Ermi Suryani (June 13, 2024). The PPH under LP3H INAIS not only assists with halal certification but also provides additional guidance in quality development and marketing after halal certification is obtained. The MSMEs being assisted include.

The following is a list of businesses that received ongoing assistance from the halal certification stage to product quality improvement and marketing. Business Participants Receiving Assistance from LP3H Sahid Islamic Institute.

Table 1. Participants List

No	Name	Type Of Business	Turnover	Type of Assistance
1	Sumarni	Bakwan, Tempe, and Fried Tofu	No increase	Marketing and Quality
2	Sumiati	Herbal Tea	No increase	Quality and Marketing
3	Samsul Bahri	Processed Green Bean Porridge	No increase	Marketing and Quality
4	Hasna	Dry Cakes	No increase	Marketing
5	Jony	Cilor	No increase	Quality
6	Supardi	Cincau Ice	No increase	Marketing
7	Tati	Fried Rice	No increase	Quality
8	Della	Ayam Geprek	No increase	Marketing
9	Bahraturun	Pisang Crispy Stek Keju Barokah	No increase	Marketing
10	Halimah	Avocado Juice and Various Beverages	No increase	Quality and Marketing
11	Solahuddin	Coffee	No increase	Marketing
12	Inem	Chicken Noodles	No increase	Quality and Marketing

The government program for free self-declaration services (Sehati services) is based on increasing knowledge among business actors (PU) and the Muslim community in Indonesia about the importance of consuming and producing halal products, but has not yet led to an increase in turnover. Obtaining halal certification provides a guarantee of product halalness for both producers and consumers. Producers must comply with the halal standards set at the time of issuance of the halal certificate in order to continue producing their products. The large number of certificates obtained by MSMEs has a positive impact on maintaining halal food production and consumption in Indonesia. Business actors who have obtained halal certification, quality assistance, and marketing already understand and will implement the stages of the halal production process in accordance with the standards set by LPPOM MUI (ISO/IEC 17065:2012 and UAE. S 2055:2 2016) in collaboration with the Indonesian Halal Product Guarantee Agency (BPJPH).

Based on interviews with MSMEs that have obtained halal certification through the Sehati program, the halal certificates obtained have not yet had an impact on increasing income (revenue) for the businesses they operate, so the volume of goods produced has not increased. Products circulating in areas where the majority of the population is Muslim and where people know each other, halal certification has not influenced consumers' decisions to buy or not buy the product. This consumer behavior is influenced by opinions "Products produced by Muslims using halal raw materials are definitely halal." The statement by business actors (PU) proves that halal certification for self-declared products has not had an impact on increasing producers' income. The informant continued his statement that self-declared products with small production and short-distance distribution do not need to be certified and it is more appropriate to provide additional capital so that they can continue to produce according to their capacity and be able to meet consumer demand (S3).

Another obstacle faced by halal-certified businesses under LP3H INAIS in increasing their turnover

is very limited marketing. Producers have not promoted their products online because they do not have mobile phones and are unable to use modern mobile phones (smartphones) for promotional purposes. Business operators run their businesses traditionally with simple processes, producing goods based on knowledge passed down by others or their own experience in making the food they sell. The stall is opened according to the readiness of food production and then waits for customers seeking breakfast or snacks (S1). This informant's statement indicates that they have not maximized marketing efforts and have not adapted to market changes in the digital era. Digitalization adaptation in business must be implemented swiftly to attract a larger customer base. Business operators will lag behind traditional business models as consumers have grown accustomed to fast, convenient, and easily accessible digital services. Therefore, in addressing this challenge, business operators are provided with knowledge on the importance of online-based marketing and collaboration with family members to secure greater customer demand.

Another difficulty based on the statements of halal-certified MSMEs is that they are not yet able to produce goods in large quantities because the goods spoil quickly. No solution has been found for the risk of damage to the products (risk management). Products with a short shelf life require professional handling to minimize ongoing losses. Products with a shelf life of less than 7 days require significant capital investment in equipment such as freezers for leftover goods (prizer) and refrigerators (showcase). Products with a shelf life of less than 7 days are limited to domestic markets and cannot be exported internationally. Informants further stated that the capital available for the business is limited, so the production risks often cannot be addressed, leading to temporary sales disruptions (S6).

Skills are a major obstacle for businesses, preventing them from producing products that meet current consumer demand. Manufacturers are unable to innovate in line with modern consumer tastes, resulting in a market that only reaches the lower-middle class and leads to consumer fatigue. Consumers become bored and seek out new flavors and snacks, even focusing on new snacks. In this context, businesses are guided to innovate in line with SDGs while maintaining high quality by sourcing higher-quality raw materials. Production facilities that fail to meet customer comfort standards (consumers) in enjoying the products served are provided with standardized guidelines to be followed consistently. One such standard is the halal certification for ready-to-eat food products established by the Indonesian Ulama Council.

Indonesian halal standardization covers the raw materials used in halal products, the purification process in accordance with Islamic law, halal additives, halal manufacturing equipment, clean production facilities free from impurities, halal packaging, halal storage facilities, and halal transportation and distribution. An integral part of the halal standards established by the BPJPH is the provision of additional facilities such as toilets and prayer areas. Toilets are maintained to be clean from impurities, both najis and non-najis, such as food scraps, vegetables, and other debris. Prayer mats and prayer rugs are kept in a clean condition. Waste is not piled up excessively, ensuring that tables, kitchens, and seating areas remain clean and free from unpleasant odors. With waste being promptly cleaned up, flies do not land on food or fly around. Food contaminated by flies is classified as unclean and cannot be certified as halal, as it is not only unclean but also poses a health risk of diarrhea for consumers who consume it. Unsafe or unhealthy products are the moral and legal responsibility of the manufacturer, so it is crucial to commit to producing products that comply with halal standards (Warto & Samsuri, 2020).

The main challenge in implementing halal certification in Indonesia is the low participation of MSMEs, especially in Bogor Regency. The products owned by business actors are produced continuously in a monotonous manner. Every day, consumers feel bored consuming products with minimal variety in taste, color, and shape. Indonesians are very fond of new or trendy foods and beverages, so foreign products sell well in Indonesia. In addition to the variety of cheap and tasty prices, Indonesian consumers prioritize taste over the nutritional value of the food and beverages they consume. The upper-middle class believes that their nutritional needs are met at home, while street food focuses on pampering the taste buds, so they buy it. The lower-middle class has difficulty meeting their nutritional needs because street food is more important to them, so their nutritional needs are rarely met on a daily basis. Given the irregular consumption patterns of the population, certification is crucial to emphasize the importance of maintaining the quality of food and beverage products and ensuring the nutritional value of certified foods (Nasrudin & Nursari, 2025).

The second challenge faced by businesses, especially those in Bogor Regency, in implementing the Free Halal Certification Program (SEHATI) is limited halal literacy, resulting in numerous technical and bureaucratic obstacles. Many businesses neglect literacy, do not read thoroughly, and do not listen to or receive complete information about halal. Halal literacy is considered formal learning, only

necessary for teachers, students, or office workers. Large-scale socialization and ambitious halal certification targets have not been able to quickly change the behavior of business actors and consumers. Many business actors are still unaware of the urgency of halal certification, especially for the local market, because they feel safe buying and selling products without halal labels in Indonesia. MSMEs often fail to understand halal literacy and education, even though their knowledge of the importance of halal certification and its procedures is very important. Clear and targeted outreach has not been evenly distributed, especially in remote areas. This is evident from the literacy limitations of the majority of business actors aged 40-60 years (Suryani, 2025).

The third challenge in implementing certification is technical and administrative barriers. Digital-based procedures are considered complicated for MSMEs with low technological literacy. Creating a Sihalal account, NIB, and NPWP is difficult for business actors to understand, and they are unwilling to learn how to do so. Business actors find it difficult to adapt to the digitization of business administration requirements. Halal Product Assistants also act as business actors in providing assistance. The assistants create NIB, NPWP, Sihalal accounts and fill in the business operator data on Sihalal. Most of the challenges of halal certification are controlled by the assistants so that each of the challenges of certification implementation can be resolved. One challenge of free halal certification is controlling the consistency of business operators in using halal raw materials and managing the Halal Product Guarantee System (SJPH) properly. The certification assistance funds provided to facilitators (incentives) are insufficient for continuous monitoring of business actors (Hartini & Malahayatie, 2024).

The fourth challenge in implementing free halal certification (SEHATI) is limited infrastructure and human resources (Agustina et al., 2024). The number of halal assistants is still limited compared to national needs. This challenge is evident in the condition of halal assistants at Islamic Institutes, where only a small portion are actively providing ongoing assistance. This can be proven by the data on assistants (P3H) at the Sahid Bogor Islamic Institute, where only 11 of the 256 assistants are active. The P3H recruitment procedure has been carried out in accordance with BPJPH guidelines. Data shows that 96 assistants were obtained from the initial training in 2023, 115 assistants were obtained from training in 2024, and 65 assistants were obtained from the second training in 2024 (Suryani, 2026). All assistants who have undergone three days of training and received guidance from the Institution carry out their roles in the field. The capacity of BPJPH and LPH (Halal Inspection Agency) is not yet optimal to handle large volumes. The fourth challenge in implementing halal certification is the aspect of Regulation and Coordination. The sihalal system, which is constantly being updated, has caused delays in the assistance work. The regulation requiring mandatory halal certification has been extended from October 17, 2024, to October 17, 2026. This extension should be used by businesses to improve their MSMEs halal administration, but many MSMEs interpret it as a sign of the government's lack of seriousness in imposing sanctions on MSMEs that are not halal certified. The reality of the difficult economic conditions faced by the public, where money is hard to come by and quickly runs out, is a factor in their inability to obtain halal certification. The implementation of the Halal Product Guarantee Law (UUJPH) requires full compliance, but coordination between agencies remains weak.

The next challenge in implementing the fifth halal certificate (SEHATI) is dependence on facilitators. Free programs depend on support from the state budget (APBN) and regional budgets (APBD) and facilitators, raising questions about their long-term sustainability. MSMEs contribute significantly to the Indonesian economy. Certification provides a new and large distribution of state budget funds and a shift in the distribution of social funds to free halal certification programs. Many companies are shifting their CSR scholarship funds to free halal certification. Tahfidz scholarships and non-academic scholarships at private universities for the 2024-2025 period have not been reopened, with no budget information available. The halal certification budget has become a priority. As a result, the scholarship funds for private universities for the 2023-2025 period have not been opened, and are likely to be redirected to the free certification program for MSMEs in collaboration with the Ministry of Religious Affairs.

All challenges in implementing halal certification in the future are important in improving halal literacy through direct training in the regions, not just digital socialization. Simplify procedures to make them more MSMEs-friendly, for example through face-to-face mentoring between training institutions and field mentors (P3H). Strengthen the capacity of BPJPH and LPH by recruiting additional halal mentors and professionals to carry out their duties. Increase market incentives: for example, special access to large retail markets for MSMEs with halal certification. Regional collaboration: local governments need to actively facilitate local MSMEs so they are not left behind (Uula, 2024). One step that can be taken is for the Main Institution to open branches in areas that have difficulty accessing

information and the latest developments in halal certification digitalization. This development is carried out through assistants in the main institutions that are already operating in various main institutions in Greater Jakarta.

4. Conclusion

The implementation of halal certification assistance provided by LP3H Institut Agama Islam to business actors/MSMEs in Bogor Regency includes the submission of halal certificates until they are issued, the development of product quality, and the improvement of traditional and modern product marketing. Assistance is provided in the form of specific skills according to the difficulties faced by MSMEs so as not to hinder larger-scale production. This quality improvement and marketing support is ongoing. LP3H INAIS provides halal certification services in accordance with Indonesian halal standards. Product quality development and marketing enhancement are provided free of charge to maximize competitiveness. MSMEs products are not sufficient with halal certification alone but are supported by marketing factors and product quality development in line with the SDGs. Halal-certified MSMEs under the guidance of LP3H INAIS continue to There has been an increase in the number of companies operating in the food, herbal medicine, and cosmetics industries. By 2025, this number is expected to reach 1,700. LP3H Sahid Islamic Institute, together with a team of lecturers, has established cooperation with Religious Counselors, PU, and PPH in the management of halal certification, quality improvement, and marketing of MSMEs products.

The government needs to focus on completing upstream certification first, while downstream certification will follow continuously. If downstream certification is prioritized, the certification process will take longer to complete in substance. The challenge of implementing halal certification in the future is important in improving halal literacy through direct training in the regions, not just digital socialization. Simplify procedures to be more MSMEs-friendly, for example, through face-to-face assistance between training institutions and field assistants (P3H). Strengthen the capacity of BPJPH and LPH by recruiting additional halal assistants and professionals to carry out their duties. Increase market incentives and regional collaboration. Steps that can be taken include the Main Institution opening branches in areas with limited access to information and digitalization innovations in halal certification. This development is carried out through mentors within the Main Institution that are already operating in various Main Institutions in the Jakarta metropolitan area.

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