Application of Grey Theory Method for Halal Food Risk Assessment Based on the Traceability System in Food Supply Chain

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Abstract. The purpose of this study was to assess the risk of based halal food. The method that will be used in conducting a risk assessment using the Grey Theory method. There are three risks that need to be considered for fish meatball SME, namely the risk of adding preservative supporting ingredients to meatballs, the risk of contamination with lizard dung, rats, cockroaches. Supporting materials used are not in accordance with the list of ingredients in LPPOM MUI. Therefore fish meatball SME can communicate risk by exchanging information and opinions on food security risks by adopting important mitigation principles, namely control, coherence and coordination. By minimizing the risk of halal food in the SME, the halal guarantee law can be realized to encourage halal industry in Indonesia.

Introduction

Halal food is a very sensitive issue in Indonesia, which has the population of 255 million people 87.2 percent of whom are Muslims, representing the world's largest Muslim population [1]. Consequently, the halal food producers use the label of halal on their products as a symbol of quality [2], [3] and combine it with the label of thoyyiban - which means “safe for consumption” [4]. Therefore, halal products are consumed not only by Muslim customers but also by non-Muslim customers so that the growth of halal products is significant enough, about 18.3 percent of global food expenditures reaching US $ 1,914 billion in 2021. [5] state that Muslim consumers have a high awareness of halal products and avoid the risk of halal products. However, the risk of halal products can occur starting from the origin of raw materials, the way to obtain them, the process of handling the raw materials, the type of material or substance (material), the storage and every stage of the process from raw materials to finished products [6]. Thus, the risk potential may take place along the supply chain points such as raw material risk, production risk, food safety risk, and logistics risk [7].

In general, the risk potentials that occur on halal food products may be in the form of fraud and forgery of halal food, food safety incidents, and contamination of non halal raw ingredients [8],[9],[10] One of the potential risks occurred in 2014 on the cases of Hazelnut and Cadbury circulating in the market that were declared for containing swine DNA [11]. Additionally, in 2001, there was the case of Ajinomoto seasoning that was suspected of mixing its raw ingredients with lard in the manufacturing process. The use of raw ingredients such as pork, alcohol, carcasses, blood, forbidden (haram) animals and improperly slaughtered animals is forbidden even though the percentage of those ingredients is small [12] In another case, [13] mentioned the manipulation of halal labels from MUI for pork containing products which occurred in beef jerky and shredded chicken products available in the society. [13] stated that the products circulating in the society were suspected of coming from the bone and pork skin containing gelatin, shortening and lard.

A number of halal problems and scandals that have occurred in recent years on several top brands have shaken the public confidence in the ability of producers and the government to ensure the integrity of the halal labeled products starting from the source,
process and suitability with Islamic principles [14] as well as cleanliness, which is part of the Islamic religion [15]. The high number of cases of halal products indicate that the potential risks of halal products can occur throughout the supply chain from upstream to downstream whereas risk is a negative consequence of an occurrence [16], which causes loss. The greater the loss, the greater the risk [17]. Therefore, one of the ways to determine the potential risk for halal products is by conducting risk analysis for developing potential risks that occur in the food supply chain. The aim is to understand the vulnerability point along the food supply chain in order to do corrective measures against the potential risks that occur. In minimizing risk occurrence in the supply chain for halal food, however, it requires not only conducting risk analysis but also collaborating with traceability systems. [18] states that system traceability can reduce risk in the food supply chain. Similarly, [19] conducted risk identification in the food supply chain with a traceability system. A good traceability system can reduce the possibility of risks to food security and will improve the overall food security [20].

Thus, this study will conduct a risk analysis of the food supply chain by conducting a traceability system-based risk assessment on halal foods. One of the methods that will be used to assess the risk is Grey Theory method. This method is very appropriate in assessing the risk of food supply chains because Grey Theory combines the situations of obscurity [21]. In addition, many researchers apply grey theory for decision-making and evaluation [22], just as [23] applied this theory method to do the assessment of airport performance in Libya. Moreover, [24] employed grey theory on the risk of multi-attribute decision-making. This study, therefore, will use grey theory to assess the potential risk of a traceability system based on the supply chain of halal food. The purpose of this study is to assess halal food products by considering the traceability system on halal food.

**Methodology**

The object in this research is an SME of fish meatball production. The methods used in collecting the data include direct survey and semi-structured interview with the owner of the fish meatball SME. The first stage questionnaire was used to identify the activities of fish meatball production process from upstream to downstream. The second stage questionnaire identified the risks occurring in each activity, the causes of the risks and the impacts generated by these risks. The third questionnaire attempted to find out the frequency or the possibility of the occurrence of risks in the process of meatball production in a year besides obtaining the assessment score for each risk.

**Identification of Halal-related risks.** The process of identifying halal-related risks was carried out by the means of literature studies and field studies, which include literature review, brainstorming with experts, company historical data, questionnaire and interview with the stakeholders of fish meatball SME. The identification phase includes the data on halal-related risk events at each stage of the process of fish meatball production.

**Identification of Traceability-Based Risks.** The process of identifying traceability-based risks was carried out by identifying the risks that possessed not-halal potential with traceability starting from the incoming of raw ingredients to product distribution. The aim is to find out which non-halal risks can be handled by the traceability system in each risk event on halal food. The results of this identification became the basis for making the questionnaire regarding the assessment of the risks of fish meatball.
Risk Assessment. Risk identification data was the basis for making a risk assessment questionnaire. The assessment criteria used were scale 1-5 adjusted with the condition in the fish meatball SME. This questionnaire consisted of three main parts that adopted the FMEA concept (Failure Mode and Effect Analysis) including severity, likelihood, and detection. The value of severity, likelihood, and detection became the input for making Comparative Series lines in Grey Theory method. Likelihood value that represents the probability or frequency of any potential risk events while severity value is the amount of impact that would be caused when this risk potential occurs. The stages in the risk assessment of halal food with grey theory method [25] are as follows. Make a comparative line with the following formula:

1. Make a Comparative Series line

\[
X = \begin{bmatrix}
X_1(1) & X_1(2) & \cdots & X_1(k) \\
X_2(1) & X_2(2) & \cdots & X_2(k) \\
\vdots & \vdots & \ddots & \vdots \\
X_n(1) & X_n(2) & \cdots & X_n(k)
\end{bmatrix}
\]

where \(x_i^j(k)\) means the \(k\) factor from \(x_i\)

2. Make standard lines

\[X_0 = X_0(1), X_0(2), \ldots, X_0(k) = (1, 1)\]

3. Obtain the difference between comparative lines and standard lines

\[
\Delta = \begin{bmatrix}
\Delta_{01}(1) & \Delta_{02}(2) & \Delta_{03}(3) & \cdots & \Delta_{01}(k) \\
\Delta_{02}(1) & \Delta_{02}(2) & \Delta_{02}(3) & \cdots & \Delta_{02}(k) \\
\vdots & \vdots & \vdots & \ddots & \vdots \\
\Delta_{0n}(1) & \Delta_{0n}(2) & \Delta_{0n}(3) & \cdots & \Delta_{0n}(k)
\end{bmatrix}
\]

4. Calculate the relationship coefficient

\[
\gamma(X_0(k), X_i(k)) = \frac{\Delta_{0j}(k) + \Delta_{mj}(k)}{\Delta_{0j}(k) + \Delta_{mj}(k)}
\]

5. Determine the degree of relationship

\[
\Gamma(X_i, X_j) = \frac{1}{n} \sum_{k=1}^{n} \beta X_i(k) X_j(k)
\]

6. Rank the risk priorities. In the ranking based on the degree of relationship between comparative lines and standard lines, a relational line could be established. If \(\gamma(X_0, X_i) \geq \gamma(X_0, X_j)\), which signifies the relationship level between, \(X_i\) and \(X_0\) is bigger from between \(X_j\) and \(X_0\).

**Result and Discussion**

The identification in Table 1 carried out on the risks associated with traceability system-based halal refers to four fundamental questions, namely: 1) what is wrong, 2) how likely it happens, 3) what will happen if it happens, and 4) how the traceability system can
track the occurrence of such risks. According to [26] traceability system is defined as the ability to track the history, or the location of an entity through recorded identification. Halal food safety risks can occur both internally and externally. External risks take place in the activity of the fish ball grinding process which is carried out in the public grinding place, whereas internal risks are associated with the organization in the SME, which include suppliers and production process.

Identification of traceability system-based risks is aimed to establish a record of information flow within the supply chain and traceability system refers to a system that allows companies to record the history of their product information. With the traceability system, the origin of the product, processing method, safety characteristics, quality of food products and the supply chain agents are identifiable [27]. Traceability-based, there are nine risks that are suspected of influencing the halal production process. Then, the criteria included in the risk category are changed to risk events to facilitate the assessment process using the FMEA concept. The greater the severity of a risk event, the greater the impact it has on halal production. Occurrence assessment is carried out to measure the possibility of a risk to occur. The greater the occurrence value of a risk, the higher the probability of the risk to occur. The more frequent the risk causes occur, the greater the effect on the occurrence of risk events. Assessment of detection aims to measure the possibility of a risk to be detectable. The greater the detection value of a risk, the greater the possibility of a risk to be undetectable. Referring to the current control, the more difficult the failure detection in an assessment, the more likely the risk event will take place.

Grey Theory-Based Risk Assessment

The risk assessment uses Grey methods. Grey method has the ability to overcome imperfections and vague information. Grey method is a method suitable for dealing with types of problems that include uncertain information, such as uncertainty that can be expressed by Grey Number or Grey Variable [23]. The first priority is the priority with the smallest degree of relationship. Г7, Г5, Г8. Each of these risks, namely: the addition of prohibited additives, the contamination of the waste of lizards, mice and cockroaches, and the unsuitability of food additives with the list in LPPOM MUI. The complete risk levels can be observed in Table 1.

| Risk Code | Risk Event                                                                 | Degree of Relationship | Rank |
|-----------|---------------------------------------------------------------------------|------------------------|------|
| R1        | There are fish feed contaminated by unclean (najis) things.               | 0.619                  | 7    |
| R2        | The fish are poisoned.                                                   | 0.619                  | 7    |
| R3        | It is mixed with non-halal meat.                                          | 0.650                  | 6    |
| R4        | The fish meat grinder equipment is not specifically for halal products.  | 0.553                  | 5    |
| R5        | It is contaminated by the waste of lizards, mice, or cockroaches.        | 0.499                  | 2    |
| R6        | The ingredients are contaminated by unclean (najis) things.              | 0.515                  | 4    |
| R7        | There is an addition of prohibited additives (Borax).                    | 0.423                  | 1    |
| R8        | The food additives used are not in accordance with the list of ingredients in LPPOM MUI. | 0.489                  | 3    |

In Table 2 potential effect when the risk occurs, occurrence or risk cause from the occurrence of a risk and detection or the level of current control that already exists. This is done because the risk event is an occurrence that is uncertain and can cause a loss in this case that influences the halal production process in the fish meatball SME. Risk events can occur due to a risk cause. Furthermore, the risk event also affects something called potential effect. A risk event, however, can be detected and monitored (current control).
The risk of adding preservatives to meatballs is a risk with the smallest degree of 0.423, which means that this risk is classified as high and some efforts should be made to prevent this risk. The addition of food additives (BTP) is carried out to obtain the desired food and improve the food characteristics in order to increase the quality. The addition of additives to foods is allowed when it is in accordance with the rules of use and preservative set by the government. In contrast, the use of preservatives, if not according to the rules, for example borax or formaldehyde for meatballs, will jeopardize the safety settings of the foods that potentially affect the health. Hence, the food is not classified as Halalan Thoyiban because of using prohibited preservatives.

The second rank risk is the risk of contamination with the dung of lizard, mice, and cockroaches. This risk makes the safety of meatball products low. Therefore food safety management systems (FSMS) in designing control of potential food safety hazards implement Hazard Analysis Critical Control Points (HCCP). The aim of HCCP is to control general cleanliness and environmental conditions in a food processing operation. Implementation of a traceability system on fish meatball production in the SME is expected to reduce the risks associated with fish meatball products in its supply chain. By minimizing the risk of halal food in the SME, the halal guarantee law can be realized to encourage halal industry in Indonesia.

Conclusion

Traceability-based risk assessment can prevent food safety problems and can be detected if problems occur along the food supply chain. There are three risks that need to be considered for fish meatball SME, namely the risk of adding preservative supporting ingredients to meatballs, the risk of contamination with lizards, mice, cockroaches. Supporting materials used are not in accordance with the list of ingredients in LPPOM MUI. Therefore fish meatball SME can communicate risk by exchanging information and opinions on food security risks by adopting important mitigation principles, namely control, coherence and coordination. By minimizing the risk of halal food in the SME, the halal guarantee law can be realized to encourage halal industry in Indonesia.

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Appendix

Table 1. Risks Associated With Traceability-based Activity

| Activity                        | Risk Event                                                                 | Halalness                                                                 | Traceability                                                                 |
|---------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Provision offish foodtypes       | Fish feed is contaminated by unclean (najis) things.                       | Fish feed is free from unclean (najis) ingredients.                        | Input the data on types of fish feed, know whether source of feeding is unclean (najis) or not |
|                                 | Fish are poisoned.                                                        | Fish must be in good condition and suitable for consumption.              | Input the pool cleaning schedule, code the provision on each feed          |
| Fish Grinding                    | It is mixed with non-halal meat.                                          | Meat is confirmed not to be mixed with non-halal meat by storing it separately. | code the provision on each meat                                           |
|                                 | Fish meat grinder is not specifically for halal products.                 | Meat grinding machines are specifically for grinding halal meat.           | Input the date and time of grinding, Input the operator identity, Input the fish condition, Identify the used equipment, Know the halal or not halal status of equipment |
| Production process activities    | It is contaminated by the waste of lizards, mice, or cockroaches.         | The production process area is clean and sterile so that there is no contamination of lizards, mice, or cockroaches. | Input the date and time of process, Input the employee identity Identify the used equipment, Know the cleanliness status, Prevention from contamination |
|                                 | The ingredients are contaminated by unclean (najis) things.               | Ingredients are free from unclean (najis) contamination and unclean (najis) ingredients. | Input the date and time of process, Input the composition of raw ingredients, Input the employee identity |
|                                 | There is an addition of prohibited additive (Borax).                      | It is adjusted to the list of ingredients determined by LPPOM MUI.        | Input the data of raw ingredients, Input the data of process Employee identity |
|                                 | The food additives used are not in accordance with the list of ingredients in LPPOM MUI. | It refers to the list of ingredients determined by MUI.                   | Input the data of used raw ingredients, Input the data of ingredients determined by MUI |

Table 2. Identification of Potential Effect, Risk Cause, and Current Control, Potential Consequences

| Risk                                                                 | Potential Effect                                                                 | Risk Cause                                                                 | Current Control                                                                 | Potential consequences                                                                 |
|---------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| There are fish feed contaminated by unclean (najis) things.          | The fish meatballs are *makruh* to consume.                                      | Human carelessness                                                        | a. Providing elucidation of fish food that is unclean (najis) and not halal.       | a. Adding more cost, time, and energy for elucidation.                                   |
|                                                                     |                                                                                  | Not too much cost of fish food                                            | b. Providing a guidance regarding ingredients that are halal, *makruh*, and *haram*. | b. Improving the employees’ knowledge.                                                    |
|                                                                     |                                                                                  |                                                                           | c. Adding more time to study the guidance book.                                           | c. Adding more time to study the guidance book.                                           |
|                                                                     |                                                                                  |                                                                           | d. Adding more cost for doubling the guidance book.                                       | d. Adding more cost for doubling the guidance book.                                       |
| The fish are polluted and poisoned.                                 | The fish meatballs have bad impacts on health and they are not halal anymore.    | Human carelessness                                                        | a. Providing elucidation about the proper way to farm catfish.                       | a. Adding more cost, time, and energy for elucidation.                                   |
|                                                                     |                                                                                  | Lack of knowledge by catfish farmers                                     | b. Keeping the cleanliness of the catfish ponds.                                      | b. Improving the employees’ knowledge about catfish farming.                              |
| Risk | Potential Effect | Risk Cause | Current Control | Potential consequences |
|------|-----------------|------------|----------------|-----------------------|
| It is mixed with non-halal meat. | The fish meatballs are not halal anymore. | The shared use of fish meat grinder with non halal meat | Adding more facilities special for halal food production. | a. Adding more cost to invest on the facilities.  
b. Adding the employees’ weight to clean the catfish meat-grinding machine regularly. |
| The fish meat grinder equipment is not specifically for halal products. | The fish meatballs are not halal anymore. | The shared use of fish meat grinder with non halal meat | Adding more facilities special for halal food production. | a. Adding more cost to invest on the facilities.  
b. Adding the employees’ weight to clean the catfish meat-grinding machine regularly. |
| It is contaminated by the waste of lizards, mice, or cockroaches. | The fish meatballs are not safe (*thoyiban*) to consume anymore. | Unclean kitchen | Having someone responsible for the cleanliness of the kitchen. | a. Adding more workers special for keeping the kitchen clean.  
b. Adding more cost to hire new workers. |
| The ingredients are contaminated by unclean (*najis*) things such as the pee of mice, cockroaches, etc. | The fish meatballs are not halal to consume anymore. | Human carelessness | Keeping the kitchen clean. | a. Adding more cost to buy cleaning tools for the kitchen.  
b. Adding more time to keep the kitchen clean.  
c. Reducing the break time to clean the kitchen. |
| There is an addition of preservatives to the ingredients. | Overconsumption will make the fish meatballs not safe to consume anymore. | Bad impacts for human health | Providing elucidation about the danger of using preservatives for food products. | a. Adding more cost, time, and energy for elucidation.  
b. Improving the employees’ knowledge on the danger of preservatives.  
c. Building the awareness to catfish food production to avoid using dangerous preservatives. |
| The food additives used are not in accordance with the list of ingredients in LPPOM MUI. | There is no guarantee of the halal status. | Cheaper price  
Lack of awareness regarding halal products set by LPPOM MUI | a. Providing activities to grow the awareness of using halal products.  
b. Providing specifications of ingredients included in the list set by LPPOM MUI | a. Adding more cost, time, and energy for activities to build the awareness to the use of halal products. |