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Ahmad Hudaifah¹, Bambang Tutuko², Tjiptohadi Sawarjuwono³ Abstract. research aimed discovering stable scheming for that be with natural of a farcycle Tuban. qualitative employs use an active pary community through the means of a focus group discussion, an in-depth view face face views respective and key mants. Salam which highly is prospective financial that minates long chain in businesses in Indonesia. Corporate Responsibility is through Syariah (I-CSR) a can the to the found the of for Salam **The Salam contract is** on Islamic mer (BMT), unit joint organization ving the players the of the function of a paddy warehouse-trading agent and direct financing to far Strong suppor zakat, infaq, and shodaqoh institution (L whose role is educating and encouraging the paddy far especially enable access markets the of mation technolog
Keywords: Salam, I-CSR, Cooperative, Far Abstrak.

ini untu forskema peryang sesuai karakteristik perpadi di Tuban. penelitian dipergunakan menyelesaikan ini paraktif melalui media kelompok, mendalam muka obser kepada man dan yang secara dalam niaga tanian di Tuban. salam skema pembiayaan sangat bagi dan aplikasinya mampu peran distributor tata per padi. Corporate Responsibility I-CSR) dikelola prinsip Syariah peryang di bisa menjadi dana dikembangkan pembiayaan tanian dihindari perbankan siklus yang Keberlangsungan The Implementation of Salam-Contract For Agriculture Financing Through Islamic-Corporate Social Responsibility (Case Study of Paddy Farmers in Tuban Regency Indonesia) 224 kontrak salam tanian komoditas akan pada petani terdiri koperasi pinjam (BMT), **padi, penggilingan padi dan unit perdagangan yang kesemuanya disebut sebagai KUB (Kelompok Bersama).** yang juga dari zakat, infaq shodaqoh, memiliki untuk pelatihan keahlian petani dan membantu memenuhi kebutuhan dasar petani yang **menjadi anggota dalam KUB.**

Kata kunci: Salam, I-CSR, Koperasi, Petani Introduction From the perspective of the Indonesian Islamic banking , the implementation of the Salam financing as stipulated Fatwa MUI 5 / 200 0 for the agricultural and plantation sector is a very much challenging and uneasy Based on the Indonesia SerAuthority (OJK /Otoritas Keuangan) report the Salam contract for agriculture , one of the most minority products provided by the Islamic banks of Indonesia, constitutes than percent of the Islamic banking financing . The main problem of executing and str a Salam contract for Islamic banking in Indonesia is the distinction found in the business cycles of the banking business and activity.

s financial must their ethics with nature financial vice s and be ready for cash flow availability regularly, which could be daily or monthly. As part of the consequences , the Salam contract requires a monthly payment of a fixed or negotiable amount of money. From another angle, when the Salam contract is through single involving Islamic and farmers only, the Islamic bank would have to deal with the challenges involved in the storing and trading process of agricultural products.

The existence of a flexible third-par s of its usage compatibility and responsibility also a research issue which must be dealt with in analysis. Another reason is that the b ank is usually unable to structure and offer the salam contract because of the liability attachment to its They should be ready to entertain any cash withdrawal and transfer from customers at any time of the request. In addition, the bank must enforce profit-sharing regularly as a banking common financ ial behaviour.

In reality, farming nature cycles such as paddy for in takes than a month to give the farmers opportunity to monetize their harvests after selling to middlemen or the markets. The nature of the agricultural business proses runs for a longer period, usually, four months involving cultivation, fer ation , har ing . 225 Based the data the of financing by Islamic murabahah or Mu?arabah contract is more reliable from the banks Usage of these two contracts also demands collateral in the form of ownership tificate motor ownership tificate well as payment.

requirements a uthorized by the DSN fatwa Number / 2000. tunately , is incompatible and unsuit ed for the nature of the agricultural business parfor and farmers. the implementation, based on the observations from several regions and discussions with bank farmers collateralize land valuable asset such as jewellery or vehicle s they proposing financing to commercial Islamic ural or cooperative s for the purpose of having a working capital in their phases.

farmers expected to back financing on a monthly basis 3 4 as regards to receiving income from selling their h arvested In case s of small micro-scale taking financing or

from banking is difficult to achieve due to the lack of valuable collateral. Tuban Regency is selected with a reasonable background as one administrative area located in north coastal line of Java Island with agglomeration of less developed farming and growing farming industrial data issued by Tuban local in the to the GDP for Tuban is dominated by the manufacturing industry and the agricultural sector accounting for 28.32 percent and 21.33 percent. One of the agricultural economic sector which seems to be more common in Tuban Regency is rice or paddy farming.

There is not only land for farm, it also goes in line with the national food security that Tuban become one of national paddy producers. Tuban production about thousand with the land farming productivity about 62 quintals per hectare. Local potency with expansive government program in paddy farming is supposed to be a gatefor economic welfare. Thus, it is expected that with a good financing mechanism and an effective agricultural modified program, farmers can ignore taking financing scheme from money lender, loan shark and middlemen buying the harvest with lower price.

Unformany farmers, due the targe cash can finance their living cost. Lack personal management has forced them to take any loan available to them and also sell their harvest to middle man. In line with the growth of the manufacturing industry, Tuban as a national pillar of paddy producers with negative social impacts such as carbon pollution as well as deteriorating urban planning tends to be compensated with the 226 corporate responsibility The CSR from ies runs under a y Act 40/2007, which stipulates an obligation from any liable business entities to their fund as a means of environmental and compensation.

majority CSR goes charity and local infrastructural development and does not require a longer term of productive allocation. reason CSR is spent on society is attributable to two major reasons: the surrounding pressures and the company objectives. CSR allocation are to to several programs like free medical treatment for the poor and building or One feature program that seems to have a wider reach is the training of vulnerable residents with and such pastrand training online through social media for small and micro-enterprises. CSR is source free, and internal designed specifically agriculture salam A tion CSR allocation, example, up 20 is to t financing s. majority CSR as strategic communication the should utilized infrastrand disbursement.

CSR allocated for agricultural has be by Islamic financial such Islamic banks, rbank s, and Islamic cooperatives Optimization productivity for the CSR can be attained by employing an Model involves ward backward under permissible and process. an obligatorcondition, funds be productively pr The of free can to the challenge salam

contracts implementation for small and micro agriculture . development of a productive fund bring benefits and support to enable the creation of welfare for farmers in Tuban areas . Literature Review Financing salam contract is an appropriate model for agriculture.

Farmers money as payment down for cultivating clearly stated quantity and quality of farm products between the contracting parties (Al Zaabi, 2011). Salam contract is considered the most suitable Islamic banking products for agricultural compared other (Ehsan Shahzad, Qustonoah has a analysis the implementation of salam contract the sector Indonesia. The development Islamic industry does encourage 227 various for Islamic has been placed in a safe position by offering products by murabahah , Mu'arabah , fee-based income with regards to securing and channelling funds .

The research has concluded that the Islamic bank industry should start developing a salam contract as responsibility realize the variety financing available for society. existence salam scheme expected discontinue any agriculture chain many have from so that farmers can have direct access to the end-users in the market. From the company's CSR defined have inherent to boost company performance per Thorne Farrell (2008) that important role is enhancing the relationship between stakeholders and company, empowering per in aspects.

They explain that restraint on CSR leash brings about four advantages for the company which includes; customer and employee satisfaction, commitment, investor where as such four factors affect the company's performance. Charles Fombr(1997) studied implementation of theory which proposed Carrol (1991) to all to company better performance. responsibility to a planning for To strategic social should all start from employees investors, business partners, government and environment. The development of the corporate social responsibility concept in Islam has a comprehensive meaning.

To a aim is to maintain quality, employees and observe regulations be responsible for the vulnerable surrounding society particularly surrounded by the poor (by western scientist modern is line the economic Company business who Islamic to esteem engage programs activities the society. the the principle CSR postulated several such Quran al-Baqarah: al-Taubah [QS.9: an-Nahl:90, al-Ma'un:1-7. Islamic-CSR is to holistic integrated because of the engagement of other Islamic economic entities such as the zakat institutions Islamic along the groups.

primary task of the Islamic social system is to determine the relationship between humankind and God from the beginning of inter-human relation (Akhtar, 2007). 228 To mention some of the many studies, the application of the concept of CSR in Islam began

with Akhtar (2007) who tried to bridge the gap of CSR development theory in western and Islamic. This is in doctoral dissertation to a framework in The CSR is alien would be with Islam implemented the direction. obliges as as to only seek but care the and society gaining financial Companies organizations the Islamic are mainly line the way of depending the of their operation.

Islam, company not to financial profit practicing principles CSR when are varying nature by reducing or recycling waste in the right manner is also part of social responsibility. distinctive between western Islamic perspective lie in reputation and image aspect rather than the priority of religious objectives. CSR strives achieve religious as as company's image. The of salam financing (Bay' salam) is established and offered by several Islamic banks in Pakistan.

A study conducted by Kaleem dan Wajid (2009) that salam contract was very popular for use in the agricultural financing in Employing using questionnaire survey Punjab, the study shows that majority farmers financing at the beginning of their cultivating period to settle the cost of farming such as buying and fertilizer. application salam contract help farmers avoid lenders intermediaries excessive rate farmers. Empirical conducted through a direct questionnaire survey by Adi Fajar about the salam contract acceptability for farmers in regency concludes that majority of farmers can comprehend the salam contract as a of This uses behavioural approach, norm, comparison bay salam acceptability and the moneylender with farmers as the object of finding that salam scheme offered, farmers will consider contract.

open view begin the negative perspective on the money lending schemes in financing agricultural production as the bondage system that excessively exhausts the harvesting. research also that the application of the salam contract application will improve farmers' income because of the free and fair agricultural pricing Farmers patiently wait and see the trade from their agriculture harvest in order to reach a higher price and also proceed with more added-value.

with a sample of farmers from Jember regency shows that salam and Islamic banks that shows salam the to structure and secure salam contract Such challenge for the industry is due to the intermediary function of the banking and difficulty the bank service into trading unless the bank forms implement salam contract is to develop a parallel contract engaging other trader but unfortunately, none of the Islamic banks in Jember is interested in The Central Bank of Indonesia released recommendation for an agriculture scheme requires all process in the agricultural to follow **the nature of the** agribusiness chain rather than the commercial banking sector.

all business research should refer to the three key factors that surround the value of the being the involvement of value chain players, namely producers, group of producers, suppliers, mill traders, manufacturers). Secondly, modern markets are particularly seen as a top priority in the agriculture value chain financing. Thirdly, the production system facility spread around the order penetration area or customer order to decouple the points. The agriculture financing scheme has to look at the whole aspect of the business chain. Research Method The methodology in taking developing findings the paper three of Literature study, FGD Group and Interw.

first is build a conceptual and thinking framework which would interact with the salam contract and Islamic-CSR To these a study is conducted by examining the literature collection, then the feasibility of the conceptual implementation is tested using the FGD interw with informant stakeholders this sharpen analysis come with a holistic solution, the case study needs to be selected (230 Graph 1: Desk Study Process Diagram The imporstage constrthis about financing using salam integrated the concept to proceed with FGD and in-depth interws. Determining the key informants is more crdue the degree competence the of making.

FGD and interws are intended to facilitate the dialogue process on the theoretical frame fact and information are derived in order to obtain and shape the secondary data analysis from study. key on FGD interws selected represent such local policymakers, serauthority, company CSR Islamic and cooperative (BMT Zakat institutions are also involved in the process of secondary data by discussing about their role in order to screen and monitor the recipients of the farmers salam recipients. research extend critical analytical t the obserof activities, the farmer group organization as a prominent object in ensuring the work-ability of the salam contract. Table 1.

The Key Informants in FGD and Interws No Representation Relevancy Key Informants 1. Local Government 1. Policy Makers 2. Program Super 3. Responsibility and Duty Tuban Trade Ser 2. Companies Located at Tuban 1. CSR Fund Owner 2. Social Responsibility CSR Division of PT. Semen Indonesia 3. Paddy Farmers in Tuban Regency 1. Object of Study Paddy Farmers in Tuban Regency, surrounding cement factory 4. Islamic Bank 1. CSR Fund-Channeling Institution Bank Syariah Mandiri and Bank Muamalat 231 5. Farmers Group Organization + BMT Cooperatives 1. The Main Players of Salam Contract 2. Salam Contract Guarantor 3.

Buyers and Managers Paddy Farmers Group at Widang District Tuban regency BMT Mandiri Sejahtera 6. Zakat Institution 1. Suppor screens and supervises the program Lzhar Indonesia 7. Indonesia Bureau of Logistics 1. Paddy Warehouse and Trading Unit 2. The Ultimate Buyers of Paddy Production PT. BULOG Tuban 8. The Key Informants

such as Intellectuals, Exper The Field of Study Determined in the interviews Sigit Iko Sugondo (Director of Lzhar Indonesia) Bambang Tutuko (Hedging Analysis Exper There several why choose explore mechanisms of applying agricultural financing contracts concerning farmers in Tuban Regency: 1. Tuban Regency is one of the three Muslim populated cities with the neighboring territor Drajad), and Tuban (Sunan Bonang).

Thus, the nuances of Islams can be said to be inherent in the activities of the local communities in the trade of agricultural commodities. 2. There an commodity ra Receipt (SRG) grain corn (Bappebti, This warehouse activity can be used as an indicator of the commodity trading activity in the area. 3. Grain is commodity the number warehouse receipt until year was receipts, ton, total financing value IDR 224.813.412,230 (Bappebti, 2016). 4. Tuban Regency has become the location for facilitating the operations of various large companies such as PT.

Cement, Indonesia and PT. Holcim Cement which has potential due its that environmental contours. 5. Various of through organization farmer (GAPOKTAN) has been r 6. Islamic institutions as sharia banks and cooperatives and BMT have been in existence and operated in the Tuban Regency. 232 Discussion and Analysis The Farmers' Difficulty to Access Islamic Banking Products The to cash the period verimporfor farmers. This is because farmers have various needs like the daily needs of their family and additional of during planting When are unable to obtain financing facilities to maintain cash flows before har to obtainable from parThe for quick is weak point bargaining for farmers. situation be difficult the lending party has the intentions to trap the farmers by purchasing the harvest at lower prices, in this case, the so-called loan-sharks who want to buy farmers' har at low prices.

Farmers who are already tied to the loan from money lenders will find it difficult to hedge their crops. The sale of paddy grain at har the loan-sharks because such transaction for farmers is a payback of the debt, so it is a of repayment wet Farmers need money find it difficult to refuse such an easy strategy. Farmers' ts apply a product their banking institutions including Islamic cannot accomplished to absence of collateral as ownership tificate motor in order meet banking for collection loans.

such collateral available, farmers then the preconditions the murabahah or Mu?arabah contracts that enforce monthly fixed instalments and payments instalment. contrast, income producing w grain be after hartime 4 Moreover, should accept paddy grain prices that tend to decrease when the har relatively costs fixed even rise. jobs on the process of production and sales directly will tend to lose and not become profitable. Islamic banks are not interested in opening agricultural financing because they consider agricultural business as a non-profit business at small scale level.

The Implementation Challenge of Islamic Bank Financing in Agriculture Sector through Salam Contract Salam contract still several related risk risk management. The salam contract risk to be paid by any financial institution is usually in form the default to crop The guarantee having financial to and bank is on the y the vest it In of of vesting 233 crop failure, the financial institution would experience a default risk. The solution to channelling the salam contract scheme the offered financial institutions on judicious of ways justify risks crop failure.

in outlook both and financial are urgently needed to reduce the risk of financing this salam contract so that it can be used by farmers who can eventually use it to increase their bargaining power in hedging and to postpone selling action when har The Challenges of Distinctive Business Cycle between Farming and Banking Under tain conditions, combined called gapoktan, gained the of farmer (farmer organization, gapoktan) that have the joint business groups is contributed from the member farmers. under situations, condition most the who are mostly still mustahik (groups receiving zakat , the are given by the gapoktan in order to get suppor Gapoktan requires a capital source whose financing scheme is in agreement with the agricultural Islamic are the alternative as source capital the However, incompatibility the bank schemes the bankable" monthly contradicts agricultural flow (cash 3-4 which could cause problems for farmer groups and farmers.

Graph 2: The Distinctive Business Cycle between Banking and Agriculture 234 agreement between the agricultural business payment scheme and the Islamic (gapoktan) and Islamic banks due to regulations of the commercial banking attached to the central bank regulations is the third party fund coming from the society through proper campaigning for the zakat, infaq, sadaqah (cash waqf (cash Islamic CSR Model as an Answer for Agriculture Financing Scheme proper implementation of the salam contract in order to the farmers well managed and channelled professionally and productively through Islamic ing is considered one of the most acceptable alternatives needed for ies the to be applied as part of become a potential productive cash waqf contributed by waqf expected to release corporate zakat or zakat the zakat fund 235 Table 2.

The Comparison between the CSR Fund, Waqf, and ZIS Aspects CSR Waqf ZIS (Zakat, Infaq, and Shodaqoh) Fund Owner Potency Company Society Muzzaki (Zakat Payers) Beneficiar Society (The Poor) Society Mustahiq (8 Zakat Recipients) Precondition Government Regulation Syariah Guidance Syariah Guiance Perpetuity of Fund Not an obligation, but a benefit to society An obligation Fully Allocated, Ineligible Graph 3 : The Islamic CSR Model The Conceptual Scheme of Islamic-CSR Integration and A Financing with Salam Contract The financial application of the salam contract for farmers in Tuban

Regency works gradually with two pillars; the first is a third party fund while the second a management The Islamic-administered would become an immediate source of funding and implementation process for a salam While organization the farmer groups (gapoktan) is a legal entity of Islamic cooperative, reality, the business unit of the paddy mill and the trading aspect is the key to run the salam contract .

parof the Islamic banks the ty absorbs funds is used as a third party fund with a financing to agricultural industry . farmer organization the body responsible for the management of the bank's financing channel, which would 236 be used in the financial Not can the gapoktan become fund managers, but it must possess the ability to process and sell products harvested from farmers in order to return funds obtained from the Islamic banks.

All necessary bodies involved in the process of integrating the process of the salam contract for the farmers will collect Companies contributing towards the Islamic banks funds from the Islamic banks can be used for various social which engages through the Islamic banking channel is preferred because of their knowledge and professionalism in the management of fund institutions . Islamic banks will have a share of ?a G such the treatment has enabled the a me as th e fund is not a subject of a high margin or the mostly provided by the Islamic banks are linked to the farmers applying the salam a productive salam and income from milling the grain paddy harvest into the white rice and even Graph 4 : Operationalization of the Concept of Islamic CSR Model and Agriculture Financing 237 Operationalization of Islamic Cooperatives (BMT) and Farmer Group Organizations to be Joint Ventures or Business Groups As non-bank institution, al-Mal Tamwil (BMT has very crucial role to play in providing financing, in order to act as a support system on the flow the farmers, before the vest Financing for the farmers before the har the farmers on the so-called middlemen or loan sharks . When the farmers become non- dependent debt the they can safely secure their harvested crops and paddy by delaying the sales at a lower price.

This condition enables the farmers to patiently wait so they can sell their crops at better prices . the of the salam and precondition, the farmers trade their crop to joint venture group. BMT a financial that not by regulations, requires the assurance of assets and conditions of bankable farmers, expected be y in to properly channel for farmers. Salam contract financing from BMT (par KUB, Joint Venture or Business Group) to farmers is the best solution to break the attachment of farmers to mediators.

With salam farmers get benefits two ; obtaining the cash before the harvest time so they can finance personal needs and obtaining the certainty of selling at an agreed contract price mitigation crop failure is one problem which could be encountered and can lead

to a default in risk for gapoktan and BMT. From in-depth view that establishing these Islamic cooperatives consists farmers the groups, KUB have an independent fund from non-binding members or external par can more so as to support salam financing, its uses cash cycle agriculture based on the harvest season and not monthly as the bank rely on the needs of farmers, the distribution of salam through KUB to the solution to obligation from Gapoktan (KUB) buy as the of which cannot possibly be done through the Islamic banks due to its regulation boundaries on banking business nature. KUB BMT by groups become a means of risk mitigation for the salam distribution.

the capital of BMT from farmers, has been channelled back to the needs of the members of the group and the sustainability of the BMT activities will become a joint responsibility. The of interests that feasibility of member farmers 238 taking salam financing be by farmers; other words, it will become a collective appraisal process. With an assurance from the head of the farmer group, the BMT Board will be able to obtain accurate data from each of its from production the track and production interested in applying for financing.

Graph 5 : The Model of Joint Venture Group The farmer, who proposes the financing, will feel a great deal of responsibility to complete the salam contract well in accordance with the stated agreement in order to protect his good name and also protect his family from the preying eyes of other farmers in the community/group. the hand, farmers apply for salam experiences failures, becomes responsibility the other members to help the farmer return the loan to KUB BMT guarantee). Collective appraisal and collective guarantee must be a condition for the approval of salam financing contract from BMT.

If both of these requirements are not met, the farmer is considered not to be qualified to meet the requirements necessary to receive the financing. This collective responsibility is a way of mitigating the salam contract risk borne by BMT, which is established by farmers group organization. As initial on production financial the of farmer group indirectly acts as a personal guarantor to ensure that the group is ready to bear the risks arising from the salam Thus, BMT by farmer group becomes an instrument for farmers to unify their goals and protect their common welfare. 239 In the of warehouse, KUB cooperate the musharakah based-Warehouse (Indonesia of BULOG) on a profit-sharing system, where the manager gets a portion of the grain paddy, and selling after its prices increasing.

The grain paddy from KUB as example goes the (BULOG) 100 (100,000 at price IDR - kg, it is stored sold days at price IDR 5.500, the manager benefit share the percentage of the agreed net profit on sale, as calculated below: Net Profit Sale = ((IDR 5.500 - IDR 4.500) x 100,000 kg) - operating costs delay (transport Revenue Sharing for Warehouse

Manager = $X\% \times \text{Net Profit Selling after Postponement}$. Graph 6 : Operationalization of the Joint Group Organization (KUB) Why a system? the system, the warehouse manager is able to receive a better porrather by charging daily weekly In KUB also from flow where the operational costs of postponement of sale are not fully charged but are shared with the warehouse manager as the cost of the musharakah cooperation between both par In to more in form dried or KUB can other that also like of grain or paddy into ready-to-sell rice to end consumers / users.

selling to consumers, can from added- value, real fact , this practice 240 is been done by middlemen who buy the grain and paddy at a lower price from farmers sell in form white especially there is an increase in price enable them to sell the of KUB set a Processing which would have a rice milling machine and a storage They can also cooperate with other Rice Processing Units with musharaka-based on agreement. The profit-sharing between KUB and Rice Processing Unit is calculated based on agreement in the form of a cer Here the calculation the Processing based Added Value from grain to rice: Added Value (Grain to Rice): ((rice selling price-grain price entered until rice sold). Revenue Share for Rice Processing Unit : $X\% \times \text{Added Value (Grain to Rice)}$. The of KUB selling crops the of is tainly higher than selling the crop in the form of grain or paddy due to the emergence of added significant .

the can that business to value-added commodities also means hedging. Bait wa Tamwil (BMT the farmer group organization is to become a solution so farmers hedge fluctuations grain especially the har Salam designed the to farmers them to release their attachment the or shark s , having to give them the to the during har farmers can shor through BMT and, therefore, they can enjoy the benefits of the sale of end products like the white rice, is enjoyed middlemen.

scheme is possible via KUB venture group) which manages the paddy farming business cycle from its backward and ward This still one tant which is about how BMT would ensure sale the product. a target market, BMTs that are par KUB are still uncertain about getting cash as a payback starfrom financing farmers, buying their crops and selling them into the market. 241 The Paddy Hedging: Selling Postponement and Improving Value Added Non-banking nature of the Islamic financing for farmers is a critical solution to problems. salam contract is the most appropriate type of Islamic financing farmers.

financing done the of flexible where KUB as buyer the products. Salam attachment is in a buying and selling contract whereby the buyer makes payment in full before getting the product while seller, this the will the in future as agreed by both parties . KUB farmers agree ahead of time on the price, quantity, delivertime commodities in future.

Price play imporrole salam as a factor on the number of funds provided by the financial to The price be to par having KUB buyers the farmers as sellers.

If the prices are determined based on a lower estimation especially during the harvest period , then the farmers will suffer heavy loses, because there will be no much between financ e made available to the farmers by the middlemen the institution s . institutions therefore, be more "aligned" with the farmers by reaching an agreement on mutually beneficial prices. With the salam financing, farmers can get some benefits such as: 1. Obtaining cash before har delivering the crops. 2. The cer salam **is a contract of sale** and purchase ; bay salam, where the buyer gives advanced payment in full to farmers, and later the farmer will deliver the crop to the buyer.

The Inter Zakat Institution and its Instruments the in-depth the Islamic social fund (zakat, infaq, sadaqah waqf) managed by the Institution s plays a role as a " kaffah BMT f sales. The involvement of Institution s , the will provide opportunities to manage to be more integrative and The suppor ZIS and Waqf Institutions for the welfare of the farmers is by channelling ZIS (zakat , infaq, sadaqah wa q f) to support the capital of farmer groups and KUB. addition, cooperation farmer , ZIS and 242 Wakaf Institutions can act as solution several in ZIS and Waqf. fact, main of the zakat is find muzakki (ZIS donors).

The encouragement of ZISWAF (zakat , infaq , halaqah, and wa q f) programs by the ZISWAF and BMT Institutions for the welfare of Indonesian farmers, within the framework of KUB, will provide clarity to the muzak k i on who will become the mustahik the profile. learning more closely its mustahik , muzakki would certainly be more motivated to pay ZISWAF. this zakat funds are distributed by the ZIS Institutions farmers, are asnaf (zakat / poor) much that they fulfil ir daily At later the and farmers ready be in agriculture.

Conclusion And Limitation of the Study Conclusion their harvest period is determine d by the period, such as family needs and the cost of planting during the production informal sources rather than this is mostly due to the lack of necessary to meet banking , farmers must still follow the banking conditions of h or ?a engagement with monthly specially the is in the failure to salam the farmer groups (gapoktan) is key solution to the problem still mostly mustahik have as consequence s y need support problem for farmers indicates that there is a the agricultural business ity for them is by opening an opportunity for alternative capital sources to help 243 provided to Islamic banks can eventually become an alternative productive cash waqf or could remain the implementation process of the salam .

The key to the implementation of the salam contract in regards to improving the of in Tuban is through the availability of cost-effective and funds must managed and through the sharia economic institutions that are actively functional. The financing application with the salam for in Regency with pillars; a supportive third party fund that supports the farmers and the second is a management The CSR be fastest source of fund that supports the realization of the salam contract. Fur , the organization of farmer groups as a legal entity of Islamic cooperative with the business of processing trading the to field salam contract operationalization.

Limitation of the Study Research the of salam for financing is very important in developing an agribusiness chain. and parties involved include companies, Islamic banking institutions , farmer group organizations, and cooperative (BMTs). research involving the agricultural system has evolved from intangible roots and evaluation analysis toward s Where the conceptual implementation of the salam contract that is with management CSR, more detailed and measurable experimental research is needed so funds can be examined with the involvement real as pilot and a experiment conducted a period time limited within period 1 year which is a times planting , obstacles be .

Hence, on implementation research of the salam contract for farmers will become more accurate and well str Acknowledgement Special thanks from the Author to the Ministr Higher of Republic Indonesia for the 2017 grant which contributed to making the study possible. 244 References Adi, 2013. of Financing Agricultural Using Bai ' Salam (Case Study on Farmers Bogor Thesis tment of Management Faculty of Economics UI: Not Published. a h Al Obaid 2010. Salam Contract Islamic A vey, w of Economics." InterAfor Economics 91-122. Ayub, 2007. Understanding Islamic . John & Sons, Ltd. Bank Indonesia. Penelitian Pembiayaan tanian Konsep Pendekatan R Retrieved from <https://www.bi.go.id> Bank Indonesia.

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