

Ijarah Financing Model for Farmers' Capital with a Post-Harvest Return System

*Ijarah Financing
Model*

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ABSTRACT

The aim of this research is to determine the ijarah financing model for farmers' capital with a post-harvest return system at BMT Masalahah Cabang Krucil. This research uses qualitative methods with data collection methods in the form of observation, interviews and documentation. One of the financing products offered by BMT Masalahah Cabang Krucil is ijarah financing with a post-harvest repayment system whose aim is to make it easier for farmers to obtain capital. Members who borrow capital with a post-harvest repayment system can return the capital they have borrowed in several harvests and the collateral required is also not that difficult, but BMT Masalahah The Krucil Branch continues to apply caution in providing loans. So this is one of the factors of public interest in ijarah financing with a post-harvest repayment system and at BMT Masalahah, the Krucil Branch does not apply an interest system but applies a profit sharing system. Where members can pay profit sharing. At the beginning of the loan period or paying in installments every month but cannot pay in full at the end of the due date.

Keywords: *Financing, BMT (Baitul Maal Wat Tamwil), Ijarah, Capital, Profit Sharing*

ABSTRAK

Tujuan penelitian ini adalah untuk mengetahui model pembiayaan ijarah untuk modal petani dengan system pengembalian pasca panen di BMT Masalahah Cabang Krucil penelitian ini menggunakan metode kualitatif dengan metode pengumpulan data berupa metode observasi, wawancara, dan dokumentasi. salah satu produk pembiayaan yang ditawarkan oleh BMT Masalahah Cabang Krucil adalah pembiayaan ijarah dengan system pengembalian pasca panen yang tujuannya untuk memudahkan para petani untuk mendapatkan modal. anggota yang meminjam modal dengan sistem pengembalian pasca panen dapat mengembalikan modal yang sudah dipinjam dalam beberapa kali panen dan jaminan yang diperlukan juga tidak begitu sulit namun BMT Masalahah Cabang Krucil tetap menerapkan kehati-hatian dalam memberikan pinjaman. sehingga ini menjadi salah satu faktor minat masyarakat pada pembiayaan ijarah dengan system pengembalian pasca panen ini dan di BMT Masalahah Cabang Krucil tidak menerapkan system bunga tetapi menerapkan system bagi hasil. dimana anggota bisa membayar bagi hasil diawal waktu peminjaman atau mencicil setiap bulannya tetapi tidak bisa membayar seluruhnya diakhir jatuh tempo.

Kata kunci: *Pembiayaan, BMT (Baitul Maal Wat Tamwil), Ijarah, Modal, Bagi hasil*

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INTRODUCTION

The agricultural sector is one of the sectors that is the main focus in national development, especially in the management and utilization of strategic results, especially food commodities. The management and utilization of agricultural products needs to be improved in a planned manner for optimality and sustainability (Nurhasanah, 2020). Related challenges the shrinking area of agricultural land due to housing and industry, as well as population growth, makes it difficult to fulfill food commodities, potentially having an impact on the lives of future generations in Indonesia (Brain et al., 2023). In Indonesia, agricultural development is directed at increasing agricultural production to meet domestic food and industrial needs, increasing exports and farmers' income, expanding employment opportunities, and encouraging equality. However, the contribution of the agricultural sector to Gross Regional Domestic Product (GRDP) is not always the highest. Largest for several regions (Ramadhan et al., 2023). However, for some other regions, agriculture actually makes the largest contribution to GRDP. Financial institutions are divided into two categories, namely bank financial institutions and non-bank financial institutions. Non-bank financial institutions include sharia pawnshops, sharia insurance, Baitul Maal Wat Tamwil (BMT) and others. Baitul Maal Wat Tamwil (BMT) is one a sharia bank financial institution in Probolinggo district. BMT carries out 2 tasks, namely savings and financing. Savings that are often used by BMT or are of interest to customers are known as general savings. Financing is the provision of money and bills based on an agreement or loan agreement between BMT and customers who require the borrower to pay off the debt and share the profits after a certain period of time (Millah, 2019; Merton & Thakor, 2019). BMT Masalahah Cabang Krucil is a sharia financial institution that focuses on loans and business financing. BMT Masalahah Cabang Krucil operates with Islamic sharia principles, which aims to empower the people. BMT Masalahah Cabang Krucil provides loan and financing services with various systems. Location which is strategically close to the Krucil market, making it a popular alternative for market sellers, street vendors and local residents.

In line with the development of the community's economic needs, there are currently many Non-Bank Sharia Financial Institutions that can help fulfill the consumer needs of the community, such as the needs of members in the agricultural sector, using ijarah contracts. Likewise, with Baitul Maal wat Tamwil (BMT). BMT basically adheres to the same system as Sharia Bank, namely the concept of profit sharing based on an agreement between BMT Masalahah and members (Ningsih, 2023). Ijarah financing with a post-harvest return system is a financing method that is generally used in the agricultural sector. In this system, the financing party leases productive assets to farmers for use during a certain period (Isbah & Iyan, 2016). After harvest, the results from the farm are used to pay the rent for the asset (Wang et al., 2020). The concept is similar to ijarah contracts in general, but specifically in this context, payments are made after harvest (Ahmad & Ahmad, 2019). This provides flexibility to farmers, especially when the harvest has not been realized or has not been sold. This system can help reduce farmers' financial risks and facilitate their access to capital without paying large amounts of money up front. Post-harvest repayment system ijarah financing can be a solution for farmers (Ningrat & Nurzaman, 2019; Ahmed & Ahmed, 2021). From the previous explanation, it motivates researchers to conduct more in-depth research on ijarah financing with a post-harvest return system at BMT Masalahah Cabang Krucil to provide a solution for farmers who do not have the funds to manage their land. Based on the explanation above, researchers are interested in researching the Ijarah Farmer Capital Financing Model with a Post-Harvest Return System at BMT Masalahah Krucil Branch.

METHOD

This research uses qualitative methods. By using qualitative methods, this research can develop previously existing concepts through explanations, observations, interviews and documentation. The research data source uses primary data sources where data is

obtained from direct interviews with the head of BMT Maslahah Cab. Krucil and secondary data where data is obtained from several journals and articles. BMT Maslahah Cabang Krucil which is in the Krucil area right in front of the Krucil market is the location chosen by researchers as a reference for collecting data.

RESULTS AND DISCUSSION

Financing is the provision of funds to other parties to support planned investments, both institutions and individuals. In other words, financing is the expenditure of funds to support planned investments (Hayati et al., 2017). According to Banking Law No. 10 of 1998, financing is the provision of money or bills that can be equated with it, based on an agreement or agreement between the bank and another party being financed, with the aim of returning the money and bills after a certain period of time, in return or profit sharing. Financing to parties who need funds based on sharia principles or rules used in accordance with Islamic law in sharia banking. Basically, the term financing describes confidence, trust and trust. In this context, financing (Trust) shows that a financing institution as a shahibul maal places trust in someone to carry out their mandate by using funds fairly in accordance with clear conditions so that it benefits both parties (Salman & Djunaedi, 2023). Financing activities are one of the main tasks, namely providing facilities to provide funds to meet the needs of parties who are deficit units which are the nature of the users. Financing can be divided into meeting consumption needs which will be used up to meet production needs and financing in a broad sense, namely to increase business, both trade production and investment (Magdalena & Suhatman, 2020).

The purpose of financing is to increase business capital. This can be achieved through credit or financing in the form of money or bills with a value measured in money (Hiferding, 2019). The bank and the debtor make an agreement through an agreement that is made and approved for financing purposes that include improving the community's economy, namely enabling individuals who are limited in their costs to engage in economic activities and improve their economic welfare. Providing funds to develop businesses, supporting business growth by obtaining additional funds through financing. Increasing productivity, through financing, business actors are given the opportunity to increase their productivity and create new jobs (Ilyas, 2018).

Al-ijarah comes from the Arabic word *al-ajru* which means *al'wadhu* which means replace, and is interpreted as a form of agreement to obtain benefits by giving a certain amount of money as a form of reward. Terminologically, Al-ijarah has several definitions given by fiqh scholars. Al-Ijarah is a contract to transfer use rights to goods or services through payment of rental wages without being followed by a transfer of ownership (Hikmah, 2019). Basically, the principles of ijarah and buying and selling are the same, but the object of the transaction is different. In buying and selling, the object of the transaction is goods, while in ijarah, the object of the transaction is goods or services (Dariana, 2020). The pillars of the ijarah contract are: (1) The lessee (Musta'jir) is the party who rents the rental item. (2) The owner of the item (Muajjir) is the owner of the item used as the rental object. (3) The rental item/object (Ma' jur) is an item that is rented. (4) Rental price/lease benefit (Ujrah), namely the benefit or reward received by the mua'ajjir. (5) Ijab Qobul, namely the handover of goods (Dzubyan, 2019) The terms of the ijarah contract are; (1) The willingness of the party carrying out the ijarah, (2) Knowing the full benefits of the goods to be contracted so as to prevent disputes. (3) The goods which can be used as a transaction (Akad) should be able to be used according to the criteria, reality and syara'. (4) That benefits are permissible, not forbidden. (5) The ijara object can be handed over and can be used directly and is not defective. (6) The object being rented is not an obligation for the lessee. (8) The reward or wages must be in the form of assets that have a clearly known value. (9) Rental wages are not the same as the benefits that are rented (Ngasifudin, 2019).

Baitul Maal Wat Tamwil (BMT) consists of two words, namely Baitul Maal, which means House of Treasure, and Baitul Tamwil, which means house of property

development. BMT has developed into an integrated independent business center that focuses on business development and investment to improve quality of life of small entrepreneurs (Febrianasari, 2020). Baitul Maal Wat Tamwil (BMT) is based on sharia which supports the economic activities of the middle and lower classes with the aim of improving the quality of economic efforts for the welfare of the community (Anwar et al., 2023). BMT has the nature of a business venture, is independent, grows independently, and is managed professionally. In terms of the Baitul Maal aspect, the focus is more on collecting and distributing non-profit funds to the community. Baitul maal wa tamwil are two similar institutions. Both have the same principles and products, but both work together to create a just and developing economy. BMT Maslahah Cabang Krucil is a financial institution that operates in savings and loans and services that are centered on the Al-Qur'an and As-sunnah as the basis of operations, goals and business. This institution focuses on micro and small services and is supported by employees who are very friendly, honest and trustworthy (Nuntufa, 2022). One of the characteristics of BMT is a focus on business, pursuing mutual profits, and increasing economic benefits for members and the environment. Not a social institution but can be used to increase the use of Zakat, Infaq and alms for the public good. Grown from below based on the role of society and its environment. It belongs to the lower and lower classes of society within the BMT environment itself, not to individuals or other groups (Norhayati et al., 2022).

The BMT Maslahah financing products offered to the public include savings products in the form of Sharia General Savings, Hajj Savings, Akikah Savings, Eid Al-Fitr Savings, Education Savings, Ziara Savings, Qurban Savings, Walimah Savings and Financing Products in the form of Mudharabah, which is a type of a business in which the owner of capital invests capital in an entrepreneur to produce profits which are divided according to a pre-agreed ratio. Murabahah, a sale and purchase agreement between BMT and the customer. BMT buys the goods the customer needs and then sells them to the customer with an additional margin or agreed profit. Musyarakah, an agreement between capital owners to invest together in a business and share profits based on a predetermined ratio is known as musyarakah. Ijarah, is an agreement between BMT and members to meet members' needs with a rental scheme. Qard, is the provision of loan funds by BMT and members, where members are responsible for paying off debts within a predetermined time period (Alam et al., 2023).

Ijarah financing with a post-harvest return system is the same as ijarah financing in general, but the difference is the time for the return of capital, namely after the customer has harvested. In Krucil village itself, the majority of people have agricultural land, but many do not have enough capital. The ijarah financing for post-harvest returns at BMT makes it easier for them to obtain capital. From the results of an interview with the head of BMT Maslahah cab. Krucil, he explained that BMT does not apply an interest system but uses a profit-sharing system and also at BMT the return of capital is also different from conventional banks, if at a conventional bank the return of capital must be made and repaid with 1 harvest times, whereas in BMT it can be done more than one harvest. According to the head of BMT Maslahah Branch Krucil, the repayment of capital can be staggered over time, allowing flexibility for borrowers. For instance, carrot farmers, who typically harvest every four months, can repay the borrowed capital incrementally with each harvest instead of making a lump-sum payment. It can make it easier for farmers to return their capital to BMT because it is possible that in 1 (one) harvest, the results obtained by farmers may not necessarily reach the nominal amount they have borrowed or their crops will experience crop failure due to weather factors, plant pests, or other factors.

In BMT, the profit-sharing payment system can be repaid at the beginning, in installments every month, but cannot be repaid at the end. According to an interview with the head of BMT Maslahah Krucil Branch, there are two ways to return the proceeds, namely the first can be paid at the beginning and the second can be paid in installments every month, but they cannot pay at the end of the due date if they borrow

capital of IDR. 5,000,000, which means the profit sharing is 2.5%, so every month they have to pay BMT of IDR. 125,000.00/month. Apart from giving members the relief of being able to pay in installments to return capital, BMT also provides relief in the profit-sharing payment system because at BMT members can make profit sharing payments every month. Every business will certainly not always be successful, perhaps at any time it will experience a decline or even bankruptcy. Apart from providing relief in the payment system, BMT also provides relief if they experience crop failure, then BMT will reschedule.

According to an interview with the Head of BMT Masalahah Krucil Branch (Mr. Khamid Dahri) on March 10 2024, if there are farmers who experience crop failure, either due to weather factors or plant pests, then we will rearrange the schedule, but the reset here is only a maximum of 4 scheduling times. However, only a few people experience it, like only 10%. Members who have borrowed capital from BMT and have used it for agricultural capital but their crops have failed to harvest then BMT will reschedule but this can only be done 4 times, if more than 4 times then they have to pay off the capital they have borrow. The documents that must be fulfilled by members to be able to borrow capital from BMT include Land Certificate, 3 copies of husband and wife's ID card, 2 copies of family card, 2 copies of marriage certificate. The certificate collateral used to apply for capital does not have to be in one's own name, it can be in the name of a family member as long as it is still in 1 (one) KK (Family Card). If you apply using Motor Vehicle Ownership Book (*Buku Kepemilikan Kendaraan Bermotor/BPKB*), the files that must be prepared include Motorbike/Car BPKB, Vehicle registration certificate (*Surat Tanda Nomor Kendaraan/STNK*), 3 copies of husband and wife's ID card, 2 copies of family card, 2 copies of marriage certificate. If the guarantee uses a motorbike/car BPKB then the age must not be too old, a maximum of 1989 and the STNK must also be current and adjustments to the vehicle's police number and engine number are also absolutely necessary so that the data obtained is truly valid. So, the guarantee here is a very important tool so that if at any time a member fails to fulfill his obligation to pay profit sharing to the BMT, the BMT can confiscate the goods that have been used as collateral.

CONCLUSION

The documents that must be fulfilled by members to be able to borrow capital from BMT include Land Certificate, 3 copies of husband and wife's ID card, 2 copies of family card, 2 copies of marriage certificate. The certificate collateral used to apply for capital does not have to be in one's own name, it can be in the name of a family member as long as it is still in 1 (one) Family Card (Kartu keluarga/KK). If you apply using Motor Vehicle Ownership Book (*Buku Kepemilikan Kendaraan Bermotor/BPKB*), the files that must be prepared include Motorbike/Car BPKB, Vehicle registration certificate (*Surat Tanda Nomor Kendaraan/STNK*), 3 copies of husband and wife's ID card, 2 copies of family card, 2 copies of marriage certificate. If the guarantee uses a motorbike/car BPKB then the age must not be too old, a maximum of 1989 and the STNK must also be current and adjustments to the vehicle's police number and engine number are also absolutely necessary so that the data obtained is truly valid. So, the guarantee here is a very important tool so that if at any time a member fails to fulfill his obligation to pay profit sharing to the BMT, the BMT can confiscate the goods that have been used as collateral.

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