

Analysis of Unilateral Price Standard in the Palm Oil Trading System: An Islamic Law Perspective

Haryadi*

Universitas Islam Negeri Ar-Raniry Banda Aceh, Indonesia

Email: 190102139@student.ar-raniry.ac.id

Dedy Sumardi

Email: dedy.sumardi@ar-raniry.ac.id

Universitas Islam Negeri Ar-Raniry Banda Aceh, Indonesia

*Corresponding author

Abstract

Farmers conduct the purchase and sale of palm oil in Gampong Malaka after the harvest is completed by directly contacting their regular agents. Generally, farmers wait for agents to come and buy their harvest, paying directly at the transaction site. However, some agents also visit the farmers' plantations to weigh the harvest. The agent typically pays farmers after reselling the palm oil to the processing factory, and the agent unilaterally determines the price. The method used in this study is the empirical legal method, with informants consisting of agents/tauke and the palm oil farmer community. Data were collected through interviews and documentation. The study's findings indicate that, according to Islamic economic law, there is an element of *gharar* in the unilateral deduction carried out by the ram. This unilateral deduction has become a custom (*urf*) for the people of Gampong Malaka because the practice has been carried out for a long time and is deeply ingrained in the community. However, *the gharar* here falls under the category of minor *gharar*, which is still permissible or allowed because the community of Gampong Malaka understands and has no issues with it, as it is considered to be within reasonable limits and does not cause any problems that need to be debated regarding unilateral deductions in oil palm transactions.

KEYWORDS: Islamic Law, Unilateral price standard, Palm oil,

Introduction

Buying and selling is one of the forms of muamalah contracts, which involves the exchange of assets between parties who have agreed. The consequences of such an agreement may be binding (*mun'aqid*) or non-binding (*ghairu mun'aqid*). As a contract, buying and selling can be considered binding on the parties if there is legal certainty between them regarding the agreement entered into. From an Islamic legal perspective, scholars have agreed that a sale and purchase agreement is valid if it fulfils all the essential elements and conditions set forth by Islamic law. Conversely, a sale and purchase agreement is not binding if there is no legal certainty.¹ A sale and purchase agreement is invalid if its essential elements and conditions are not fully met.²

Buying and selling practices in Islam must be conducted by upholding the values and principles of good business ethics. Buying and selling practices must fulfil the principles of justice for each party (not harming one another), honesty, transparency, truthfulness, benefit, mutual consultation and agreement, and the absence of coercion. Ethical principles in buying and selling include honesty, transparency, halal and good, quality goods, avoiding fraud, oaths, usury, and hoarding.³ The fulfilment of all these principles will bring about the greater good (*maṣlahah*) for all parties involved in the contract (seller and buyer). Therefore, the practice of buying and selling should, as much as possible, avoid all harmful elements (*mafsadah*), detrimental (*maḍarrah*), or cause loss to one party (seller or buyer). The practice of buying and selling should also avoid elements of usury, fraud, deception, and uncertainty (*gharar*).

In sales and purchase practices, clarity of contract is essential. An unclear sales and purchase contract, both in terms of its object and its terms and conditions, can be considered *gharar* from a legal perspective. *Gharar* refers to a situation where there is uncertainty or doubt between the two

¹Yuniartik and Nurleli, "The Practice of Buying and Selling Palm Oil from a Sharia Economic Law Perspective: A Case Study in Sijang Village, Galing District," *Al-Sulthaniyah Journal* Vol. 12, no. 1 (17 January 2023): 42–51, doi:10.37567/al-sulthaniyah.v12i1.1728.

²Muhammad Al-Zuhaili, *Al-Mu'tamad fi Al-Fiqh Al-Shafi'i*, Vol. 3, (Trans. Muhtadi), (Jakarta: Gema Insani Press, 2018), p. 56.

³Ikit, Artiyanto, and Muhammad Saleh, *Buying and Selling from an Islamic Economic Perspective* (Yogyakarta: Gava Media, 2018), pp. 66–67.

parties.⁴ In the context of buying and selling, the element of *gharar* arises in the sale of goods whose specifications are unclear, including the nature of the goods, their limitations, and even fraud. Normatively, scholars have agreed that a sale and purchase agreement containing elements of *gharar* is invalid. This is because the element of *gharar* harms one party and may even lead to the unjust taking of another person's property, which contradicts the fundamental principle of sale and purchase agreements, which is based on justice and must be upheld in such contracts.

The issues surrounding sales and purchases that arise in society are numerous, including the practice of selling palm oil. This study examines palm oil sales explicitly in Gampong Malaka, Kluet Tengah District, South Aceh Regency. Farmers sell palm oil during the harvest season and contact agents who are their regular customers. Generally, farmers in Gampong Malaka conduct the palm oil trade by waiting for agents to come and buy the palm oil, with agents paying the price directly at that time. In practice, some palm oil agents also visit farmers' plantations, weigh the palm oil, and pay the selling price when they sell it back to the factory. Agents unilaterally determine the price.

The palm oil trading practice in Gampong Malaka is carried out by agents, where the palm oil harvest is weighed by the tauke sawit (palm oil trader) themselves. The weighing is done either in the presence of the seller or not at the palm oil collection point (ram). In buying and selling, the tauke sawit deducts from the price based on the palm oil weight, as well as mandatory and additional deductions. To determine the palm oil harvest yield, measurements are taken using a weighbridge. The use of weighbridges is considered very effective and efficient for measuring large-scale palm oil harvests. However, weighbridge measurements are typically rounded. The numbers detected on the scales are only tens, hundreds, and thousands, for example, 10, 200, or 3000, and so on. Meanwhile, the scales do not detect single digits. If the palm oil harvest weighs 359 kilograms (kg), only 350 kg is counted. The remaining 9 kg is not detected by the weighbridge, which is certainly very detrimental to palm oil farmers.⁵

⁴Abd Al-‘Azīz Muḥammad ‘Azzam, *Nizām Al-Mu‘āmalāt fī Al-Fiqh Al-Islāmī*, (Translated by Nadirsyah Hawari), (Jakarta: Amzah, 2022), p. 57.

⁵ Interview with Sulaiman, as a Palm Oil Plantation Owner, 2 June 2025.

The rounding of the scale's weight from single digits to tens and above was initially unknown to both farmers and oil palm owners. This rounding was only discovered when the farmers directly asked the tauke whether the scale's weight was recorded and calculated as an exact weight, and the farmers only found out about it during the handover of the receipt/invoice. On one hand, the tauke do not have special methods or tools for weight deductions during the weighing process; they estimate the percentage deducted based on their judgment. On the other hand, these deductions are economically highly detrimental to farmers and palm oil growers. Ideally, the unit weight figures should be rounded up only after all the palm oil has been weighed. Each weighing produces a unit figure, and the weight of the palm oil weight can be combined with the remaining figures from subsequent weighings. This would undoubtedly be fairer for palm oil farmers, but this process is not carried out.

In addition to losses from deductions from the measured weight of palm oil, palm of farmers also face other losses, including mandatory and additional deductions. Mandatory deductions are made by the tauke on the grounds of anticipating shrinkage or weight loss of palm oil during the transfer from the ram to the factory. The RAM unilaterally sets mandatory deductions at 4-5%. Additional deductions are applied to fruits of specific quality and types. Based on the above phenomena, this study conducts a more in-depth analysis of unilateral deduction practices in the palm oil trading system between farmers and tauke or agents in Gampong Malaka, Kluet Tengah District, South Aceh Regency, from an Islamic legal perspective.

Research Method

The research in this article falls under the category of empirical legal research or empirical jurisprudence. Empirical legal research is legal research based on field data, examining and analysing legal phenomena/practices that occur within society.⁶ Related to the empirical aspect of this research is the analysis of the existence of legal practices in the form of unilateral deductions

⁶Jonaedi Efendi and Johnny Ibrahim, *Normative and Empirical Legal Research Methods* (Jakarta: Kencana Prenada Media Group, 2018), p. 23.

in the weighing of palm oil, which is a phenomenon that occurs in Gampong Malaka, Kluet Tengah District, South Aceh Regency.

The research approach used is *the case approach*, which is a legal research methodology that analyses legal cases occurring within society.⁷ The case in question involves the issue of unilateral deductions in the weighing of palm oil in the palm oil trading system in Gampong Malaka. The legal case will then be analysed from an Islamic law perspective. Therefore, the data sources in this study were obtained from primary and secondary legal materials.⁸ Primary data in this study were obtained from interviews. Secondary data were obtained from legal literature, including primary, secondary, and tertiary legal materials.

The research data collected from various sources were then analysed qualitatively. To answer the research questions, the data were analysed in four stages.⁹ First, the data from various sources were collected, followed by data reduction. After the data were reduced and simplified, the third stage involved data presentation or display. The fourth stage was drawing conclusions about the research issues.

General Location of the Research Area

This research was conducted in Gaimpong Mailaikai, Kluet Tengah Subdistrict, Aceh Selatan Regency. Gaimpong Mailaikai is located in Menggaimait Village.¹⁰ The village of Menggaimait is part of the sub-district of Gaimpong Mailaikai, which is part of the district of Kluet Tengah, Aceh Selatan. The village of Menggaimait consists of 13 hamlets and covers an area of 19,600 hectares.¹¹ The population is 6,127 people. The sub-district of Menggaimait is located along the Menggaimait River and extends to the Krueng Kluet River (Laiwe Melaing), with the remaining area situated in mountainous terrain. Some of the villages located in this area are Jaimbur

⁷Peter Mahmud Marzuki, *Legal Research*, 13th ed. (Jakarta: Kencana Prenada Media Group, 2017), pp. 133–134.

⁸Efendi and Ibrahim, *Legal Research Methods...*, p. 219.

⁹Sugiyono, *Understanding Qualitative Research*, 12th ed. (Jakarta: Alfabeta, 2016), p. 93.

¹⁰Gampong is the smallest administrative unit in Aceh Province and is equivalent to the meaning of village. Kemukiman or mukim is an administrative unit that coordinates several gampong areas. See, Al Yasa' Abubakar, *The Implementation of Islamic Law in Aceh as Asymmetric Special Autonomy: History and Struggle* (Banda Aceh: Aceh Islamic Law Agency, 2020), p. 112.

¹¹Wahdi, "Profile of the Menggamat Sub-district in Kluet Tengah District", accessed: <http://www.kluetraya.com>. 2016, 15 June 2025.

Paipain, Koto Indairung, Siurai-Urai, Mailaikai, Laiwe Melaing, Koto, Kaampung Saiwai, Kaampung Paidaing, Pulo Air, Mersaik, Simpaing Duai, and Simpaing Tigai, and Gaimpong Ailue Kejrui.¹²

This study focuses on Gaimpong Mailaikai. Sociologically, the Maisyairakait of Gaimpong Mailaikai are indigenous people who have lived there since ancient times. The conditions and existence of the Maisyairakait are similar to those of the Kluet, although their exact year of establishment is unknown. However, the community in Gaimpong Mailaikai is now heterogeneous, as there are immigrants from ethnic groups other than the indigenous Kluet people, namely the Aineuk Jaimee and Aceh ethnic groups. For this reason, this study traces several dialects that have developed, namely the Jaimee dialect, the Aceh dialect, the Indonesian dialect, and the Kluet dialect, which are commonly used by the residents.

The residents of Gaimpong Mailaikai are engaged in various livelihoods, including farming, fishing, and working as labourers. Some of them also work as plantation workers, particularly in oil palm plantations. According to Sulaiman, the total area of oil palm plantations in Gaimpong Mailaikai is less than 10 hectares, while the total area in Kluet Tengah Subdistrict is 50 hectares. As a result, the percentage of oil palm plantations in Gaimpong Mailaikai compared to the total area of the sub-district is approximately 20%. The number of farmers who own oil palm plantations in Gaimpong Mailaikai is approximately 40 people, with some having larger plantations and others having smaller ones. There are four raim in the Kluet sub-district, with three registered in Gaimpong Jambur Paipain and one in Gaimpong Mailaikai.¹³

Gambaran Jual System Buy Kelapa Sawit in Gampong Malaka

The purchase of palm oil in Gaimpong Mailaikai is carried out by farmers together with the agent, who then sells it to the factory. The procedure and process of purchasing palm oil carried out by the plantation owner together with the middlemen, vary from one place to another,

¹²Wahdi, "Profile of the Menggamat Village in Kluet Tengah Subdistrict," accessed: <http://www.kluetraya.net>. 2016, 15 June 2025.

¹³Interview with Sulaiman, as the Palm Oil Plantation Owner, 2 June 2025.

especially in terms of payment systems, both cash and non-cash. Some payments are made directly at the location, while others are deferred before the agent sells the palm oil to the factory. These differences also depend on the condition of the palm oil and the quality of the Fresh Fruit Bunch (FFB) that is sold to the factory.

Based on the results of observations, farmers in Gaimpong Mailaikai selectively choose and determine the main crop to be sold. This is due to several factors, including the fact that the farmers are quite cautious in accepting the fruit, so that most of the farmers in the area tend to avoid taking risks by selling their crops to buyers, and this also causes farmers to be selective in choosing buyers. In practice, the work patterns of agents show variation. Some agents try to avoid risk as much as possible, while others take more risks to minimise potential losses. This situation is often overlooked by oil palm plantation owners, especially when agents assess and pay for the harvest. This is complicated by the fact that the quality of palm oil produced by farmers is not always good, especially TBS that has been harvested, not only due to poor management of palm oil plantations, but also due to environmental conditions. Additionally, the terrain is uneven. As a result, there is a tendency among farmers to carry out pruning that is considered detrimental to farmers.

In the practice of buying and selling, especially in determining prices, various conditions vary depending on the availability of other palm oil products. Oil palm plantations are located in low-lying areas, while oil palm plantations on hillsides are also affected by water conditions. The water conditions of oil palm plantations also influence yield, and prices are also influenced accordingly based on market conditions.

The price of palm oil produced by Sulaiimain, a farmer in Gaimpong Mailaikai, is determined by the Highest Retail Price (HET) for palm oil commodities set by the company, which varies depending on the quality of the palm oil produced. He also explained that the Hairgai Taindain Buah Segair (HTBS) purchased by the company from farmers in Gaimpong Mailaikai is relatively high. The profit obtained from HTBS is estimated to be between Rp. 200 and Rp. 300 per kilogram. Assuming that the best quality TBS weighs between 50 kg and 80 kg per shipment, the estimated profit per shipment is between Rp. 12,500 and Rp. 15,000. If calculated based on the standard transport capacity of a standard truck (such as a Hercules truck),

the total profit that can be obtained per shipment is estimated to reach Rp. 3,300,000.¹⁴

The value of the profit depends on the quality of the TBS from the farmers. Therefore, the amount of profit obtained by the agent may vary depending on the quality of the TBS sold by the farmers. Conversely, if the entire harvest consists of high-quality fruit, the profit for the farmer will increase. For crops other than TBS, such as brondolain, both the factory and the farmer set different prices. Brondolai palm fruit, which is fruit that has been separated from the intact trunk and is not mixed with dirt, has a higher clean weight and is therefore valued more highly. As a result, processors can earn a profit margin of around Rp. 400 to Rp. 600 per kilogram, which is higher than the profit from TBS. However, all of these figures are still considered gross. This is because the aigen must cover the costs of transportation, loading, unloading, and other expenses that may be required. Therefore, the purchase price of brondolain by the aigen tends to be higher than that of TBS.

Jaidi, the price of palm oil is influenced by various factors, including the condition of the palm oil plantation, the quality of the palm oil received by the buyer, and the market price. This finding is consistent with the findings of Taisyair, who states that the price of palm oil for the brondolain palm oil category is significantly higher than that of palm oil still in the form of fresh fruit bunches (FFB). In the explanation, it is mentioned that the price of brondolai palm oil tends to provide greater profits for agents because the factory only accepts a minimum purchase of 500 kilograms of brondolai fruit. Therefore, farmers must first collect the required amount before selling. If the palm oil is stored for too long, the fruit will dry out, causing the oil content to decrease. After harvesting, the agent usually collects the palm oil from the farmers at the edge of their plantations. However, if the amount of palm oil is small, the farmers often transport it themselves to the agent's warehouse using becaks (pedicabs). Despite this, the price remains the same, whether the palm fruit is transported by the farmers or picked up by the middlemen.¹⁵

Similar concerns were also raised by Jaimail, a member of the Taiuke community, who is also a leader in selling various items needed for oil palm

¹⁴Interview with Sulaiman, as a Palm Oil Plantation Owner, 2 June 2025.

¹⁵Interview with Tasyar, as a Palm Oil Plantation Owner, 5 June 2025.

plantations, saying that before the process of collecting oil palm fruit from the farmers begins, first he checks the quality of the palm oil that he intends to buy. Based on the results of the assessment, the price is then determined according to the condition of the palm oil sold by the farmer. For this reason, the price of the palm oil is determined independently by the agent involved.¹⁶

To confirm these results, researchers also interviewed farmers in Saimsu. According to them, the trainsaiksi variety is known to produce high yields of palm fruit in local gardens. The type of fruit with the lowest price is known as coastal palm oil, which is commonly known as TBS, which generally weighs 4 kilograms and is priced at Rp. 1,150 per kilogram. This price is only half of the price of high-quality palm oil. Farmers usually sort the palm fruit selectively to avoid rejection by the factory. To avoid rejection, farmers sort the fruit and choose to remove the fruit from the bunch. With this method, palm kernels in a clean form are obtained, making them easier to be accepted and evaluated by the factory.¹⁷

Several factors influence the price of palm oil, and these factors are known to be the determining factors of palm oil prices, especially in the context of palm oil production and the palm oil market. Other findings were presented by Dumai, who noted that other methods used by farmers to purchase palm oil include cutting the palm tree or cutting the fruit that is ready to be harvested. For example, for palm oil of the coastal category that is harvested and weighs 100 kilograms, the agent must cut the palm oil by 5%, so that the total weight of the palm oil that is counted is 95 kilograms. If the price set by the buyer for this category of coconut is Rp. 1,150/kg, the calculation becomes $95 \times \text{Rp. } 1,150$. Therefore, the price received by the farmer is Rp. 109,150. Additionally, the payment is made by the buyer to provide protection for palm oil of the lowest quality category (coastal palm oil). With the price already calculated, the agent has estimated the amount that can be sold back to the factory while still making a profit. Usually, the palm oil is shipped to factories located in Aceh Selaitain, Aceh Singkil, Aceh Bairait Daiyai, Naigain Raiyai, and Aceh Jaiyai.¹⁸

For hairgai kelaipai saiwit with sedaing and super kuailitais, there are also differences in hairgai. Saimsu said that kelaipai saiwit with sedaing and

¹⁶Interview with Jamal, as a Palm Oil Plantation Owner, 6 June 2025.

¹⁷Interview with Samsu, as a Palm Oil Farmer, 4 June 2025.

¹⁸Interview with Dumai, as a Palm Oil Farmer, 2 June 2025.

super kuailitais, weighing 4 kilograms, has a hairgai value of Rp. 2,300/kg.¹⁹ Taisyair also states that there is no difference in the hair quality between the standard and super quality coconut husks, as the factory also does not differentiate between the two types of husks. However, the buyer still deducts 5% from the total weight of the palm fruit that has been weighed. For example, if the total weight is 100 kg, the buyer deducts 5% of the weight, so the price is calculated based on 95 kg of palm fruit. Then, the price is also reduced by Rp. 100. Therefore, the value of the palm fruit for the medium and super grades becomes Rp. 2,200. Thus, the amount that must be paid by the buyer is $95 \times 2,200$, which is 209,000.²⁰ It should be noted that the price of this fruit differs from that of fresh fruit (TBS), as the brondolain type of coconut has a higher selling price, namely Rp. 2,500 per kilogram. This price is set because brondolain no longer has a market, so it is sold as pure fruit. As an illustration, if a farmer sells 100 kilograms of brondolain palm fruit, the weight is reduced by 5% as a tolerance for shrinkage, resulting in a calculated weight of 95 kg. At a price of Rp. 2,500 per kilogram, the total payment received by the farmer is Rp. 237,500.²¹

Dailaim trains other sellers in the distribution of saiwit by Taiuke Jaimail, who has two distribution channels. He collects the saiwit directly from the farmers' gardens on one side, and on the other side he receives deliveries from farmers to his warehouse. Neither method affects the price. Taiuke Jaimail applies a price that is free from discrimination. In practice in Gaimpong Mailaikai, there have never been any complaints from farmers regarding cutting, staining, or the price set. Differences in hairgai are mainly due to the price of palm oil sold by the local factory, as hairgai prices change quickly, making it difficult to calculate the daily wage. Palm oil producers adjust hairgai according to factory policies. If the factory increases the price, the farmers' price also increases. Conversely, if the factory decreases the price, the farmers' price also decreases for the palm oil that has not yet undergone the processing with the farmers.²²

The aforementioned prices are subject to change depending on the purchase system used at Gaimpong Mailaikai, which is based on several

¹⁹Interview with Samsu, as a Palm Oil Farmer, 4 June 2025.

²⁰Interview with Tasyar, as a Palm Oil Plantation Owner, 9 June 2025.

²¹Interview with Tasyar, as a Palm Oil Trader, 9 June 2025.

²²Interview with Jamal, as a Palm Oil Plantation Owner, 6 June 2025.

factors, particularly the price set by the factory. On the other hand, the price for each product is regularly updated by the agent based on the price set by the factory. On the other hand, the buyers themselves determine the price based on the quality of the palm oil produced and set the price accordingly.

Practice of cutting palm fronds using the *Jual Beli Kelapa Sawit* system in Gampong Malaka

Palm oil is a leading commodity in the agricultural sector, which has strategic economic value. In various regions, palm oil plantations are located in Gaimpong Mailaikai, Kecaimaitain Kluet Tengah, palm oil has become a commodity that promises benefits for the community, not only for farmers but also for the general public. In this context, the buying and selling process that occurs between farmers and traders becomes a means for both parties to obtain profit. However, in practice, the buying and selling of palm oil still faces issues that are detrimental to the farmers. This happens because of the cutting of the fruit before it is ripe (TBS) and the branding of the fruit sold to the buyer.

The new policy that has been introduced in the palm oil purchasing system is that all palm oil purchases will be subject to a 5% deduction for all palm oil, regardless of whether it is classified as low-quality (*paisir*), medium-quality, or super-quality palm oil. This is in accordance with the provisions of the *Taisyair*, which states that the price reduction shall be applied to all palm oil purchases, with a reduction of 5%. This price reduction shall be applied to the total palm oil purchases for a single payment. In addition to the trimming carried out by the factory, as mentioned in the *Taisyair*, the factory also carries out trimming of 2.5% to 5% depending on the weather conditions, such as during the rainy season. The cutting by the factory also depends on weather conditions, such as the rainy season, where the factory may cut up to 5%. This is caused by the weight of the palm fruit, which also increases the weight of the palm fruit.²³

The farmers have agreed to reduce their harvest by 5% as stated in the agreement signed by the government to sell their palm oil to the government. This cut has not caused any complaints from farmers, as they understand that this policy was implemented by the government to avoid losses.

²³Interview with Tasyar, as a Palm Oil Plantation Owner, 9 June 2025.

The author also analysed the practices carried out by other palm oil producers in Gaimpong Mailaikai, particularly Jaimail, who implemented a similar system with a few minor differences. Based on the results of the study, Jaimail farmers classify coconut fruits into four categories, namely low quality (paisir), medium quality, super quality, and brondolain quality. These quality differences also determine the purchase price set by the researcher.²⁴

Jaimail classified the fruit as low quality because it weighed 5 kilograms. Meanwhile, the price for this type of fruit is Rp. 1,175 per kilogram, with a 5% deduction from the total weight. This price is half the value of medium and super quality fruit, because this type of fruit is not accepted directly by the factory. Therefore, according to the Head of the Cooperative (), the farmers must first process the fruit. As an illustration, if a farmer sells 100 kilograms of low-quality fruit, the price will be reduced by 5%, leaving 95 kilograms to be calculated. At a price of Rp. 1,175 per kilogram, the total payment received by the farmer is Rp 111,625 (95 x 1,175).²⁵

The seeds are harvested from Sulaiimain, and the fruit is of the saiwit kuailtais variety, which is processed into a paste weighing between 5 and 30 kilograms. while the super-sized variety weighs 30 kilograms. The price set by the coconut palm oil producer for the standard and super-sized varieties is 2,350 rupiah per kilogram. Lower-grade fruits are more profitable for the buyers, as they minimise the risk of significant losses. This is because after the palm oil is harvested, the fruit must be left to ripen before being processed, and the low-quality fruit must be removed first, which incurs additional costs of Rp. 40 per kilogram. Additionally, the unstable market price can cause the price to drop, leading farmers to seek profits from other sources. If the price drops, farmers may even stop selling their produce, which can have a negative impact on the farmers' livelihoods.²⁶

The value of the total yield for the total harvest is calculated using the average yield per unit area multiplied by the total area planted, with a maximum of 5%. This situation occurs because the super-sized fruit is still in the ripening stage, and the ripening process is delayed, causing the weight of the TBS fruit to increase, prompting the agent to implement the weight

²⁴Interview with Jamal, as a Palm Oil Plantation Owner, 10 June 2025.

²⁵Interview with Jamal, Palm Oil Plantation Owner, 6 June 2025.

²⁶Interview with Sulaiman, Palm Oil Plantation Owner, 2 June 2025.

reduction. Therefore, the pruning must be carried out by the agent, and this practice is widely known by the community, especially the farmers. This means that farmers who want to sell their palm oil must have their trees pruned by the agent. In fact, this process has its own cycle, starting from the palm oil mill to the aigen, namely from the palm oil mill to the aigen in the villages, including Mailaikai Village. The illustration shows the process of selling to the agent, where after being weighed at 100 kg, the total weight is reduced by 5%, and the total weight is then multiplied by the price for each category of palm oil. For palm oil of good quality, the price is Rp. 2,250 per kilogram, resulting in a total of 95 kg x Rp. 2,250, so the total price received by the farmer is Rp. 213,750.²⁷

According to Taiuke Taisyair, the price of brondolain palm fruit is higher than that of sedaing and super palm fruit, namely Rp 2,500 per kilogram. There is no percentage cut applied to the price of brondolain fruit because it no longer has a stem that contributes to the fruit's weight. Therefore, there is no need for a cutting process. For example, if a farmer sells 100 kilograms of brondolain, the entire weight is counted in full. With a price of Rp 2,500 per kilogram, the farmer receives a total of Rp 250,000 (100 x 2,500).²⁸

The weighing of palm oil in general is usually carried out using a weighing bridge, which is a large weighing platform that can measure the weight of vehicles and their loads simultaneously. The use of weighing scales is considered an efficient solution for large-scale commodities, as they can accommodate loads from *pickup trucks*, motorcycles, and other vehicles directly into the process. However, this system has a critical technical limitation: the weighing system can only detect weights up to ten kilograms. Smaller items, such as those weighing one to nine kilograms, are not detected, resulting in the weighing results being rounded up. As a result, overcharging occurs almost every time a train arrives, which is clearly detrimental to passengers who are charged for the full weight of their luggage. Although it appears to be a systemic imbalance, this phenomenon is not the result of manipulation by the authorities, but rather a technical consequence of the specific characteristics of the system itself—a weakness in the instrument that is often accepted as is by policy makers at the grassroots level.

²⁷Interview with Sulaiman, as a Palm Oil Plantation Owner, 2 June 2025.

²⁸Interview with Tasyar, Palm Oil Plantation Owner, 9 June 2025.

The mechanism of the weighing mechanism begins when the conveyor belt carrying the palm fruit is still moving to obtain the total weight. After that, the palm fruit is lowered, and the conveyor belt carrying the palm fruit is moved to the empty conveyor belt. The difference between the first and second weighings is considered the clean weight of the harvested fruit. This method is simple and practical, but it can be a source of uncertainty if it is not supported by high precision equipment. In practice, farmers who receive the results of the weighing do not complain, because there are no alternative technologies available that are more precise and affordable. However, this issue is beginning to emerge among groups of young farmers and local communities who are seeking changes to the system. They highlight that the problem is not merely technical, but also involves the economic well-being of farmers and principles of fairness in the agricultural value chain. This issue has opened the door for dialogue on technology, structural changes, and the resilience of farmers and the agricultural ecosystem, which has been dominated by middlemen.²⁹

During the process, the weighing of the palm oil produced is carried out by the palm oil mill operator. This is done either at the location or elsewhere. If the farmers agree, after the weighing is done, the total amount of palm oil and its price according to the quality of the palm oil are recorded in a document. The farmers then collect it. However, if the farmers are not present at the location, the results of the weighing are given to them at a later time. The number of cuts is also written in the form. In general practice, the deductions made are included in the mandatory deductions and additional deductions.

The mandatory deduction rate is determined by the employer and applies to all employees. This means that every time an employee works, the employer deducts the deduction rate from their salary. The percentage of mandatory cuts is 4-5%. Cutting is carried out by the buyer themselves and is not sent directly to the factory. The buyer only sends it to the factory once it has been collected and the quantity has been determined. During the waiting period, the collected waste undergoes natural shrinkage, causing its weight to decrease.³⁰

²⁹Interview with Jamal, as a Palm Oil Plantation Owner, 6 June 2025.

³⁰Interview with Yahya, as a Palm Oil Farmer, 12 June 2025.

So far, there are no specific guidelines used by the relevant authorities to determine the reduction, nor are there any guidelines to assist in determining the exact amount of the reduction. Currently, the *raim aitaiu aigen* only estimates the cutting of the aforementioned fruit. In addition to mandatory cutting, the *raim* also performs additional cutting for the farmers. The additional cutting is intended for fruits with specific characteristics, such as fruit size, fruit type, fruit shape, fruit colour, fruit weight, and other characteristics related to the quality of the fruit and the degree of fruit ripeness.³¹

The size of the fruit is determined by the weight of the fruit before drying. The higher the quality, the smaller the weight of the fruit. The cut pieces are usually weighed between 5 kg and 50 kg per ton and are sold directly by the farmers. This practice has been going on for a long time and has become a common practice among farmers in the area, especially in Gaimpong Mailaikai. Therefore, most farmers in the area accept the cutting mechanism without objection, as it has been accepted as part of the customary buying and selling system.

Islamic Legal Perspective on the Practice of Cutting the Umbilical Cord in the Jual Beli Kelapa Sawit System in Gaimpong Malaka

The practice of buying and selling palm oil from smallholders and landowners in Gaimpong Mailaikai is an important part of the local economy, which has been going on for generations. This practice not only reflects the relationship between the two parties but also involves social values and local customs that have been passed down through generations. However, behind this routine practice, there are several issues that are interesting to examine from an Islamic legal perspective, particularly regarding the mechanism of cutting the fruit, which is carried out by the *raim tainpai* without clear procedural guidelines. This phenomenon raises questions about the legality of train services and the alignment of practices with principles of justice and Islamic principles.

The Islamic legal opinion on the practice of cutting the foreskin of newborn boys in Gaimpong Mailaikai, Kluet Tengaih, is categorised as

³¹Interview with Nasruddin, as a Palm Oil Farmer, 12 June 2025.

containing elements of *ghairair*. Non-conformity refers to any form of deviation that has the potential to cause loss to one party, whether in terms of the quality of the object being sold, the time of delivery, or the quantity and characteristics of the commodity being traded. In this context, the reduction of one side carried out by the owner of the raw material without prior consultation with the farmer indicates a low level of transparency in the determination of the reduction rate, which is mandatory (4–5%) or the quality of the fruit. The assessment does not use any instruments, but rather relies on the farmer's experience and personal judgement, thereby strengthening the indication that the buying practices do not comply with Islamic principles of fairness.

Maisyairaikait Gaimpong Mailaikai has criticised the practice of cutting carried out by the railway company in the Juail Beli Kelaipai Saiwit area, which has resulted in the rejection of the goods as part of the process/mechanism of the tender. This cutting is not entirely problematic because there are other factors that can be accepted logically. For example, the raim party also accepts cutting by the factory party due to a decrease in the quality of the palm oil. This happens because farmers do not immediately sell their produce to factories, but wait until they have enough to send in large quantities. This delay has a significant impact on the quality of the fruit, which affects the quality standards set by the factory. Considering this condition, farmers tend to cut their production as a consequence of the delay in distribution.

According to Islamic law, a sale that contains elements of *ghairair*—that is, something that is not clearly defined and causes harm to one of the parties—is generally considered invalid because it does not comply with the principles of justice and certainty in transactions. However, this does not mean that all forms of *ghairair* are considered invalid. As explained by Ibn Qaiyyim in his book *Zaidul Mai'aid*, certain types of *ghairair* have specific conditions. He emphasises that not every *ghairair* becomes a cause of invalidity.³² If the *ghairair* is considered minor and difficult to avoid in practice, the transaction is still permissible according to Islamic law. This provision demonstrates the flexibility of the law, where the level of risk involved also determines whether a transaction is considered permissible or not.

³² Ibn Qaiyyim, *Kitab Zaidul Ma'ad* Volume 5, p. 727.

As is the practice of buying and selling palm oil, which involves the use of non-cash payments for the cutting of palm oil, which occurs in Gaimpong Mailaikai and cannot be separated from the customs and practices in that area, such practices have become a customary law. (*Urf*) The surrounding environment has been designed in such a way that it is difficult to separate the palm oil from the surrounding environment, and it is impossible to separate the palm oil from the surrounding environment due to the non-permeable cutting process that has been carried out in a single piece. The design is simple (light).

The practice of cutting down trees for firewood, which occurs in the Gaimpong Mailaikai area, has never caused serious conflict between the local community and the plantation owners. This is due to the local community's belief that the practice of cutting palm fronds is a normal activity and part of their traditions that have been practised for generations. Therefore, this practice should not be considered a major issue. From the perspective of Yusuf Al-Qaradawi, not all forms of injustice (*ghairair*) can be categorised as oppression. He emphasises that aspects that *are considered* non-essential but have the potential to cause conflict or harm to others should be avoided. If *the non-core activities* are classified as minor and have become part of the normal business practices of the company, then they are not considered as business activities that are subject to taxation.³³ Therefore, the essence is that *non-contractual* obligations may not be considered as contractual obligations, except for those that are clearly stated in the Al-Qara'idhawi's ruling, which are non-contractual obligations that are clear and unambiguous, and do not affect the existence of the obligation itself. If the aforementioned is not sufficient to justify the practice, then the practice is considered unlawful.

Dailaim *Syairh Shaiḥ Muslim*, Imaim Ail-Naiwaiwī explains that certain forms of non-payment are tolerated, especially if the non-payment is due to circumstances beyond the buyer's control, such as *illness* or death. In this case, Imam Al-Naiwawi gives an example of a case where the buyer is unable to pay the full amount of the purchase price, such as when the seller sells a cow for a certain price but the buyer is only able to pay half of the price at *the time of sale*.³⁴ A similar situation was also found in the practice of

³³ Yusuf Qardhawi, *al-Halal wa al-Haram fi al-Islam*, translated by Abu Sa'id al-Falahi and Aunur Rafiq Shaleh Tamhid, *Halal and Haram* (Jakarta: Robbani Press 2000), p. 295.

³⁴ Imam an-Nawawi, *Kitab Syarh Shabih Muslim Volume 5*, p. 144

buying and selling palm oil from farmers and middlemen in Gaimpong Mailaikai. Although these practices contain elements of uncertainty, unsafety, and *non-compliance*, they are still carried out because they are the main source of livelihood for the local community. However, the practice of *ghairair* has the potential to cause economic losses, considering that alternative methods of processing for independent factories require high logistics costs and difficult access. For this reason, this form of non-conventional practice is considered an exception that is permitted in *Islamic law*, in accordance with the principles of public interest and local customs (*'urf*).³⁵

Consensus (*ijmaik*) in fiqh states that the ruling on something is based on the majority *opinion*, provided that the majority is knowledgeable and competent in the matter. This principle is so dominant that it takes precedence over individual opinions, even if they are based on strong evidence. Conversely, in the practice of *trainsaiksi* in Gaimpong Mailaikai, non-Islamic elements *that* are incorporated into *trainsaiksi* are still tolerated as a social norm and have not yet become an issue that is openly debated. Fiqh scholars also provide a ruling on the permissibility of certain forms of training that involve non-Muslims, especially if they are supported by local customs (from the perspective of general Islamic law, which considers *'urf ṣaiḥih*) that have been established and are functional. Albu Albbais ail-Qurṭubī states that all forms of sale inherently contain non-essential elements; however, if these elements are marginal and do not constitute the essence of the transaction, then tolerance is granted.³⁶

When viewed from an Islamic legal perspective, related to the principles of justice and fairness, the practice of cutting off the foreskin of newborn males for religious purposes is considered a form of non-Islamic practice (non-Islamic customs). This type of non- is not dominant and is still considered acceptable by both parties involved in the transaction. In the local context, the relationship between farmers and plantation owners indicates acceptance of this form of non-material value, because the practice of cutting is still considered acceptable and has become part of the economic interaction that prevails.

³⁵ Khalid bin Abdul 'Aziz al-Batili, *Abadits al-Buyn' al-Manbiyu 'anba*, 1st edition (Riyadh: Dar al-Kunuz Isybiliya 2004), p. 54.

³⁶ Ibn Jazyi al-Garnati al-Maliki, *The Laws of Islamic Judgments*, Edited by Abdul Rahman Hasan Mahmud, (Cairo: Maktabah 'Alam al-Fikr, 1986), p. 259.

This phenomenon is reinforced by the social conditions in Gaimpong Mailaikai, where no conflicts or disputes arising from the practice of cutting the tip of the penis have been found. This reflects a high level of social acceptance and the validity of local customs and traditions. Based on the principle of *ijma'* (consensus), the customary practices that are not considered part of the formal legal system are not subject to legal sanctions, except for those that are considered harmful to the community. which may be subject to legal action but do not affect the existence of the law, are permitted provided they do not disrupt the balance and certainty of the law. Therefore, it can be concluded that the aforementioned practice is permissible, provided that it is carried out within the appropriate context, including the form of purchase that is permissible according to Islamic law.

Conclusion

The purchase of palm oil fruits is carried out directly by the plantation owner and the palm oil buyer in accordance with the terms and conditions of the purchase agreement, which vary depending on the condition of the palm oil fruits and the quality of the TBS. The purchase process is carried out by weighing the palm oil at the plantation location or at the collection point.

The yield of palm oil that is harvested and pressed is then sold to a buyer at a price that is determined by the buyer. This is done because the palm oil produced is not pure and cannot be sold as is, such as palm kernel, but the palm oil that is sold still contains impurities that cannot be removed, so it must be processed by a mill. The miller is not penalised because the palm oil is sold back to the milling/processing company.

The Islamic economic law, the practice of cutting off the tip by the buyer in the sale of palm oil in Gaimpong Mailaikai, contains elements of *ghairair*, namely the lack of clarity in the legal framework, particularly in determining the standards for the practice of usury by religious leaders. However, due to social realities, this practice has become part of customary law, namely a custom that has been practised for a long time and is accepted collectively. Therefore, this practice of cutting the foreskin is classified as *ghairair qailil* aiatu *ghairair ringain*, which is tolerated by the law. The level of uncertainty in this practice is relatively low, and the acceptance of the customary practice indicates that this practice is still considered to be in

accordance with Islamic law () and does not cause significant disputes. However, according to contemporary Islamic jurisprudence, such forms are considered permissible by scholars, provided they do not lead to other violations or significant losses.

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