Assessment Method for Agricultural Zakah in Malaysia: An Institutional Perspective

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Abstract: This study attempts to revisit the methods by which the assessment of agricultural zakah is derived. The study, conducted throughout states in Peninsular Malaysia, is based on the premise that there are different interpretations of five awsuq (which is the minimum amount of produce above which the zakah is to be paid, technically known as nisab). This study aims to determine how the equivalent value of five awsuq is derived based on the standard weight unit and how the interpretation of the value of awsuq is applied in the assessment of zakah on paddy. The results from this study reveal that assessments of the equivalent value of five awsuq vary for each state in Malaysia and so do the methods of assessment of agricultural zakah. The difference results in a range between 358 to 400 gantang (1 gantang = 2.25 kg) with equivalent values of RM697.50 to RM1,089.00. It is found that, based on the rate, the nisab rate in some states is below the country’s poverty line (RM 720). Other major findings include the fact that subsidies received by paddy farmers are also subject to zakah, with no deduction on living costs or plantation costs placed before applying the nisab rate (with the exception of Perlis and Kedah).

Key words: Zakah • Agricultural Zakah • Zakah assessment methods • Nisab • Subsidy

INTRODUCTION

Agricultural produce or crops are among the products for which zakah (religious tax) must be paid. The obligation to pay zakah on crops as well as the rates and other pertinent matters are deduced based on the injunctions of the Quran and the Prophetic Traditions. However, a wide spectrum of interpretations exists on some issues, which include the method of calculating crop zakah. This divergence has also influenced the practices of different states in Malaysia regarding the method of calculating crop zakah.

Jurists have agreed that the purpose of paying zakah on property or assets is to encourage the growth of these assets. In line with this, certain types of crops, including grains and fruits, are also subject to zakah. This is because zakah is obligatory on anything that has been cultivated or that has grown from the earth, including grains and fruits [1].

Crop zakah is an example of zakah categorised under property zakah [2]. Simply put, there are two categories of zakah. The first is property zakah (mal), which is applicable to gold, silver, crops and business profits. The second is personal zakah (nafs), known as zakah al-fitr, which applies annually to every individual and can be paid starting from the beginning of the month of Ramadan until the sunnah prayer on the morning of the Eid celebration day. Based on the two facets mentioned above, some Muslim scholars separate zakah into two categories. The first is zakah on corporeal (zahir) property and the second is zakah on incorporeal (batin) property [2].

Research shows that in Malaysia, crop zakah is only applicable to rice paddies, as it fulfills the criteria for crop zakah in that it is a staple food that can be dried and stored for an extended period of time.

In Islamic law, the term zakah is applicable to “certain types of property as commanded by Allah, the Almighty
and distributed to individuals who have the right to receive zakah”; it can also be defined as “paying a specific amount voluntarily”. The amount paid out of that property is called zakah because that paid amount will work towards increasing the property and protecting it from ruin [3].

According to A’zal-Ur-Rahman, the word zakah means to make fertile, to cleanse and to improve. It refers to the ‘self-cleansing’ achieved once a person fulfils his zakah obligation. The act is called zakah, as it helps mankind to cleanse their souls from selfishness, stinginess and so on. In addition, zakah is not merely a form of alms; it is also a step towards the development of mankind based on the concept of cooperation, which is achieved through the practice of zakah paid by the wealthy to those who are in need (asnaq) [4].

According to Al-Saywakani, from a linguistic perspective, zakah carries several meanings. Among others, zakah means to ‘expand or grow’ [5]. In addition, zakah also means ‘pure’ and ‘clean’. When we discuss property zakah, it signifies the cleansing of that property [6].

As such, it has been concluded that by the definition of Shariah, the term ‘zakah’ refers to a proportion taken out of certain types of properties on which it is obligatory to pay zakah once the conditions have been met for distribution to those who have rights over and are in need of the zakah [7].

Allah Almighty said in Surah al-‘An’am (6): 141:

“And it is He Who produces gardens, trellised and untrellised and date-palms and crops of different shape and taste (their fruits and their seeds) and olives and pomegranates, similar (in kind) and different (in taste). Eat of their fruit when they ripen, but pay the due thereof on the day of its harvest and waste not by extravagance. Verily, He likes not those who waste by extravagance.”

Meanwhile, the Prophet (p.b.u.h.) also said:

"From Musa al-Asyari and Mu’adh bin Jabal r.a. when summoned to Yemen to teach the people about religion, the Prophet said, "Do not accept zakah on other than four produce which are barley, wheat, raisins and dates [8]."

As such, there are many different views on crop zakah. Based on the opinions of Jurists from the four mazhab, a summary of crop zakah collection is tabled as follows:

As such, agricultural or crop zakah can be defined as zakah that must be paid on staple (failing) food cultivated in a locality or state, whose production reaches the nisab and hawl, which is 5 ansaq. The applicable rate for crop zakah is 5 or 10 percent, depending on the means of irrigation used in its cultivation.

Although these views hold that there is no need for the deduction of production costs, in light of the current context of farming, it is necessary to take these production costs into consideration because the expenditure on these costs has increased significantly. In order to secure the welfare of the farmers, it is better to deduct production costs from the farmers’ gross income.

Abu Ubayd related that Jabir bin Zaid sought a man’s opinion regarding a farmer who has borrowed money and spent it on his family and his farm. Jabir clarified the following:

“In Ibn Abbas’ opinion, the man can spend that money on his farm. In Ibn ‘Umar’s opinion, the man can spend that money on his farm and his family [13].”

In this matter, both Ibn Abbas and Ibn ‘Umar share the opinion that zakah should be paid after the farmer has deducted any debts used as capital towards the cost of agricultural production [14].

Pertaining to the cost of living deduction prior to the assessment for zakah, no nas or information exists to clarify the matter. However, one of the basic foundations of property zakah is that those who are paying zakah are rich people, whereby the poor receive zakah [15].

Costs of living ought to be taken into consideration and be deducted before zakah is applied because the Prophet (p.b.u.h.) himself was very considerate towards farmers. In Rasulullah’s practice, he requested the person in charge of assessing the zakah to deduct ¼ or 1/3 of the total crop production so that the zakah assessment applies only to the remaining 1/3 of the amount, as reported by Sahal bin Abu Hathmah, which means the following:

“When conducting zakah assessment, take the zakah amount and leave 1/3. If you do not leave 1/3 then leave 1/4 [12].”

Crop zakah is paid once the nisab is reached. Nisab is defined as a specific minimum amount upon which the payment of zakah is obligatory [3]. Nisab is also understood as the minimum level of value that determines whether or not the payment of zakah is obligatory for a
particular asset [16]. However, the concept of nisab should also take into consideration whether or not an individual can truly afford to pay zakah [17].

Jurists hold differing opinions with regard to the nisab for crop zakah; the first group has opined that the minimum value of nisab for agricultural is five awsuq, the second group has the opinion that there is no nisab for agricultural zakah and the third group has argued that the nisab rate depends on the ability to measure the quantity of crops.

According to Malik [18], al-Shafi‘i [19], Abu Yusuf [12], al-Bahuti [20] and Ibn Qudama [11], it is agreed that crop zakah is compulsory once the amount of crop produced reaches its nisab.

This opinion is based on an authentic hadith related by Abu Sa‘id:

"Zakah is not compulsory on crops and fruits amounting less than five awsuq" [21]

Abu Hanifah, Ibrahim al-Nakha‘i, Mujahid and Ahmad [11, 14, 22] opined that there is no nisab for agricultural zakah based on Qur’anic text (sura al-Baqarah (2), verse 267), which does not mention nisab in the following verse.

"Oh you who believe! Give of the good things which you have (honourable) earned and of the fruits of the earth which We have produced for you and do not even aim at getting anything which is bad, in order that out of it you may give away something, when you yourselves would not receive it except with closed eyes. And know that Allah is free from all wants and worthy of all praise." [23]

They also argue that in the hadith also does not mention the requirement of nisab.

"For crops irrigated by rain, the due is 10 percent." [24]

The third opinion, that of Abu Sulayman and ‘Iyad, [25] leans towards the blending of general and specific ahadith. The purpose of this reconciliation is to enable both opinions to be applied. This means that crops that can be weighed in terms of gantang are subject to zakah once the total production reaches or exceeds the nisab of five awsuq. On the other hand, crops that cannot be measured in terms of weight are also subject to zakah without the need to refer to any nisab value.

Generally, the compulsory rate for crop zakah is five or ten percent of the total amount produced once it reaches its nisab. This means that farmers who cultivate crops that are subject to zakah, such as paddy, must pay zakah once this nisab is reached.

For crops and fruit trees irrigated by rain or rivers (by natural means) and do not require the farmer to spend additional money or effort on irrigation, the zakah applicable once nisab is reached is one tenth (1/10) of the produce [25]. As such, zakah on 360 gantang is 36 gantang. However, if the crops or fruit trees are irrigated by artificial means (by machine and so on), thus requiring the farmer to spend additional money or effort in their cultivation, then the applicable zakah rate is 1/20 [25]. Therefore, zakah payable on 360 gantang of produce is 18 gantang.

This is based on a hadith narrated by ‘Umar r.a. Rasulullah (s.a.w.) that said the following:

"On that which is watered by the heavens or springs or its own roots, a tenth is due and on that watered by a well or a stream, one twentieth is due." [24]

Also, from Jabir r.a., Rasulullah (s.a.w) said the following:

"A tenth is payable on what is watered by rivers or rain and a twentieth on what is irrigated by well."[26]

To summarise, in terms of crop zakah, two fundamental methods exist, based on evidence, for farmers to use as a guide when paying agricultural zakah – that the crop production reaches its nisab of five awsuq and that the rate applicable is five or ten percent of the amount produced, depending on the type of irrigation used by the farmers.

In Malaysia, the question then arises on whether the rate of five awsuq is measured based on gross production or after deductions have been made for production costs and the farmer’s cost of living [15]. The deduction of production costs and the cost of living is viewed as a daruriyyah necessity for the farmers, considering modern advancements, particularly in the agricultural sector, which demand higher levels of expenditure and quality.

Developments and advancements in the agricultural sector require modern agricultural practices. This demands every farmer to buy high-quality seedlings and various types of high-quality fertilisers to produce more crops with higher quality. Paddy farmers also use machineries to help with the cultivation process and for the transportation of the paddy to the paddy-processing
centre. All these activities increase the cost of paddy cultivation compared to traditional methods of paddy cultivation in the past, which entailed minimal costs [15].

In addition, the imposition of zakah on government-provided subsidies, which are viewed as income, should also be reviewed in detail. This is because it is deemed inappropriate for subsidies given by the government to farmers to be re-distributed to others. However, if such a subsidy is regarded as mal mustafad, then the question arises on whether or not it should be treated like other monies that have the requirements of hawl and nisab.

As zakah is to be paid by the wealthy for distribution to the poor, the current method of assessing zakah needs to be reviewed. This is to ensure that the zakah payers are truly those who are financially sound. In line with this thought, this study will scrutinise and re-evaluate the method used in the assessment of paddy zakah as practiced in Malaysia based on the following:

- The appropriateness of deducting production costs;
- The appropriateness of deducting the farmers’ cost of living as is the practice with zakah on income; and
- The exemption of zakah on paddy subsidy received by farmers is appropriate as the subsidy is meant towards the benefit and welfare of the farmers themselves.

**Objectives of the Study**

The objectives of this study are the following:

- Analyse the nisab rate as implemented in all Peninsular States in Malaysia.
- Investigate the opinions of muftis and zakah authorities in all states on the deduction costs of production in the determination of nisab.
- Explore the opinions of muftis and zakah authorities in all states on the deduction cost of living in the determination of nisab.
- Examine the opinion of muftis and zakah authorities in all states on the zakah charged on subsidies provided by the government.

**Methodology:** As for the methods used, this study incorporates interviews as well as the analysis of some relevant statutory provisions applicable to zakah in Malaysia. Interviews conducted involved 10 zakah institutions in Malaysia. The Federal Territories are not included, because paddy is not cultivated there. Sabah and Sarawak are also not included due to budgetary constraints that made it impossible to conduct interviews there.

The interviews were conducted with muftis from 10 states and 10 zakah administrators (amiis). Each interview lasted between one to two hours. The researchers used semi-structured interviews with a list of questions prepared beforehand. The interviewees were provided with the interview questions via e-mail before the actual interview took place.

All of the interviews were recorded and transcripts of the interviews were produced. Data gathered were later coded based on specific themes. The purpose of the interview is to gain more information on agricultural zakah and how it is collected from the farmers.

**Findings**

**Crop Zakah Assessment Method Practiced in Malaysia:**

The assessment method for crop zakah in Malaysia varies. These variations are evident based on the following:

**Calculation of Zakah Rate and Nisab Rate of 5 Amsaq Based on the Metric System:** In Malaysia, five amsaq is measured using the metric system. Although it is evident that nisab upon which crop zakah must be paid is fixed at five amsaq, differences exist in terms of how each state comes up with the actual value of five amsaq.

Table 2 shows that the agricultural zakah rate imposed on farmers varies between different states in Malaysia. In Johor, Kedah and Kelantan, it is 10 percent. Selangor, Negeri Sembilan and Perlis apply a rate of 5 percent on the amount of crop that has reached its nisab. This is because it is observed that in these states, farmers utilise rainfall using a systematic irrigation system, which requires significant financial investment [27]. Terengganu, Perak and Melaka, use a rate of 5 or 10 percent for their crop zakah, whereas Pahang applies rates of 5, 7.5 or 10 percent of the total amount of the crop produced that has reached its nisab. According to zakah administrators for each state, these rates are currently used and put into practice in their states. The rate of 5 percent is used considering the burden of the cost entailed in the cultivation of the crop. On the other hand, the rate of 10 percent [28] is applied when the cultivation utilises natural means of irrigation using rainwater or stream water, thus implying lower costs.

Accordingly, the 7.5 percent rate is applied in Pahang considering that zakah administrators in Pahang have found that some farmers combine both natural and artificial irrigation systems in their paddy cultivation.

The application of the nisab rate of five amsaq also varies for each state in Malaysia once it is translated in terms of gantang and kilogrammes (kg). Table 2 indicates that, in general, all states use the measure of gantang.
Table 1: Criteria of Agricultural Zakah, in Nisab, Rates and Deduction of Production Costs and Cost of Living Based On Syafi’i, Malik, Hanbali and Hanafi Madzhab

<table>
<thead>
<tr>
<th>Madzhab</th>
<th>Characteristics of Crop</th>
<th>Nisab Rate</th>
<th>Rate</th>
<th>Deduction of Production Cost</th>
<th>Deduction of Cost of Living</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syafi’i [9]</td>
<td>staple food of the locality, which can be dried and stored for a long period of time.</td>
<td>5 awsuq 5 or 10 percent</td>
<td></td>
<td>Deduction from gross income is unnecessary</td>
<td>Deduction of Cost of Living is unnecessary</td>
</tr>
<tr>
<td>Malik [10]</td>
<td>staple food of the locality, which can be dried and stored for a long period of time.</td>
<td>5 awsuq 5 or 10 percent</td>
<td></td>
<td>Deduction from gross income is unnecessary</td>
<td>Deduction of Cost of Living is unnecessary</td>
</tr>
<tr>
<td>Hanbali [11]</td>
<td>any type of staple or non-staple crops that can be weaned, dried, stored and cultivated by man.</td>
<td>5 awsuq 5 or 10 percent</td>
<td></td>
<td>Deduction from gross income is unnecessary</td>
<td>Deduction of Cost of Living is unnecessary</td>
</tr>
<tr>
<td>Hanafi [12]</td>
<td>any type of crop, either staple or non-staple food crops or non-food crops, without any of the conditions specified by other jurists.</td>
<td>5 awsuq 5 or 10 percent</td>
<td></td>
<td>Deduction from gross income is unnecessary</td>
<td>Deduction of Cost of Living is unnecessary</td>
</tr>
</tbody>
</table>

Table 2: Agricultural Zakah and Nisab Rates in terms of Gantang, Kunca and Naleh*[45]. Kilogrammes, Tonnes and Price of Paddy in Ringgit Malaysia (RM) and Farmers’ Income Based on the Poverty Line in Malaysia

<table>
<thead>
<tr>
<th>State</th>
<th>Zakah Rate (%)</th>
<th>Analysis of Paddy Nisab of 5 Wasuq (unit tonne / kg)</th>
<th>Malaysian Poverty Line Compared with Paddy Zakah Nisab</th>
</tr>
</thead>
<tbody>
<tr>
<td>Johor</td>
<td>10</td>
<td>Gantang: 358, Kunca: 930, Naleh: 930</td>
<td>Ringgit Malaysia (RM): 697.5</td>
</tr>
<tr>
<td>Kedah</td>
<td>10</td>
<td>363</td>
<td>1300.4</td>
</tr>
<tr>
<td>Terengganu</td>
<td>5, 10</td>
<td>375</td>
<td>937.5</td>
</tr>
<tr>
<td>Selangor</td>
<td>5</td>
<td>363</td>
<td>1306</td>
</tr>
<tr>
<td>Melaka</td>
<td>5, 10</td>
<td>400 [30]</td>
<td>1452</td>
</tr>
<tr>
<td>Kelantan</td>
<td>10</td>
<td>358</td>
<td>930.8</td>
</tr>
<tr>
<td>Pahang</td>
<td>5, 7.5, 10</td>
<td>400</td>
<td>1452</td>
</tr>
<tr>
<td>Negeri Sembilan</td>
<td>5</td>
<td>363</td>
<td>1306</td>
</tr>
<tr>
<td>Perak</td>
<td>5, 10</td>
<td>363</td>
<td>1393</td>
</tr>
<tr>
<td>Perlis</td>
<td>5</td>
<td>2, 7</td>
<td>986.7</td>
</tr>
</tbody>
</table>

Source: Interviews with State Islamic Religious Council, State Zakah Centre and State Mufti Department Representatives

except for Perlis, which uses a measurement of kunca and naleh. To simplify and standardise the process of weighing the quantity of 5 wasuq, the measure of gantang is replaced with kilogrammes (kg). The practice in Malaysia reveals that the rate of 5 wasuq is equivalent to 400 gantang, which is equivalent to 1,452 kg or 1,452 tonnes. In contrast, the minimum weight equivalent of 5 wasuq in Johor is 358 gantang, 930 kg or 0.93 tonnes. This difference in measurement is due to the different types of paddy used for samples during the process of determining the equivalent value of wasuq in current metric system [27, 29-44].

These differences have had an impact on the nisab rate and monetary value in each state in Malaysia. This also reflects that the nisab applied in each state also varies. The price for one tonne of paddy in Malaysia is RM750 [46]. As such, the lowest paddy zakah nisab rate in Malaysia is RM697.50 in the state of Johor, whereas the highest nisab is RM1,089 in the states of Pahang and Melaka. The researchers use the ringgit in valuing the nisab rate because in practice, farmers pay their zakah in monetary form, not in the form of paddy or rice. The Poverty Line Income (PLI) in Malaysia is RM730 [47], meaning that anyone who earns less than RM730 is deemed to be poor. However, the nisab for paddy is between RM697.50 and RM1,089.00 from paddy production over a six-month period.

Practice of Deduction of Production Costs and Cost of Living in Malaysian States: This study also looks into the practice of assessing the paddy nisab rate, examining whether or not it is derived from the gross production amount or after the deduction of cultivation costs and the cost of living. The argument for the appropriateness of taking such costs into consideration is to ensure the welfare of those farmers who will be paying the zakah. In line with this, advances and developments in all sectors including agriculture should also be addressed when assessing agricultural zakah. The use of the latest and most modern technologies implies that costs in agricultural activities have also increased in addition to the expenditure on fertilisers, seeds, insecticides and other materials of higher quality, which are used to ensure better production. The same goes for the current cost of living, which should be taken into consideration before applying the nisab for agricultural zakah. The ever-increasing costs that go hand in hand with the country’s economic development also increase spending for

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families. The imperative for taking this cost of living into consideration is to ensure that only farmers or those who can truly afford it will be required to pay crop zakah. This is in line with the objective of zakah itself, which is the distribution of wealth from the wealthy to the poor.

Based on Table 3, it is clear that a majority of states in Malaysia do not deduct cultivation or production costs before measuring the misab, with the exception of Perlis and Kelantan. While the state zakah administrators have found that paddy farmers incur significant spending in their effort to improve paddy production and achieve a shorter harvesting period. In the past, paddy harvesting is conducted twice a year. Today, however, some states are able to harvest three times a year. This shows that expenditures, whether being direct or indirect costs, are continually increasing for these farmers.

Nevertheless, majority of zakah administrators/muftis in Malaysia are in agreement that it is appropriate for such costs to be taken into consideration in the assessment of crop zakah and that this is a new *jihada* that needs to be considered to secure the interest of farmers in Malaysia.

### Zakah on Paddy Subsidy:

Should paddy subsidies be subject to zakah? The government established a subsidy for paddy prices to help farmers increase their income. It was initially introduced in 1980. The paddy price subsidy is only given to farmers who sell their paddy to mills owned by BERNAS or to private paddy mills. The current paddy price subsidy is RM248.00/tonne (or RM24.80/100 Kg).

Table 5 indicates that 35.28 percent of farmers own paddy fields with less than 0.5 hectare in area. In cases where the farmers only work as the paddy farmers, their income is smaller compared to farmers who own larger paddy fields, as per Table 4 above.

Based on Table 6 below, in general, Malaysian states do not impose zakah on paddy subsidies, with the exception of Kelantan, which imposes a 10 percent zakah on the subsidy as well as on the production amount and the state of Selangor, which imposes a rate of 2.5 percent [48] compared with the previous rate of 5 percent [49]. This reduction in the rate was enacted because the subsidy is considered *mal mustafad* instead of crop zakah and because the subsidy is also regarded as a means for the government to encourage farmers.

For states other than Kelantan and Selangor, paddy subsidy is not subject to crop zakah because there are some zakah administrators who are unable to identify.
Table 5: Distribution of Paddy Farmers by Farm Size, 1990 (ha), Peninsular Malaysia

<table>
<thead>
<tr>
<th>Paddy Field Size (ha)</th>
<th>Number of Farmers</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;0.5</td>
<td>47,147</td>
<td>35.28</td>
</tr>
<tr>
<td>(0.5-0.9)</td>
<td>39,958</td>
<td>29.90</td>
</tr>
<tr>
<td>(1.0-1.4)</td>
<td>22,486</td>
<td>16.83</td>
</tr>
<tr>
<td>(1.5-1.9)</td>
<td>8,139</td>
<td>6.09</td>
</tr>
<tr>
<td>(2.0-2.4)</td>
<td>8,776</td>
<td>6.57</td>
</tr>
<tr>
<td>(2.5-2.9)</td>
<td>1,952</td>
<td>1.46</td>
</tr>
<tr>
<td>(3.0-3.4)</td>
<td>1,262</td>
<td>0.94</td>
</tr>
<tr>
<td>(3.5-4.9)</td>
<td>2,242</td>
<td>1.68</td>
</tr>
<tr>
<td>&gt;5.0</td>
<td>1,658</td>
<td>1.24</td>
</tr>
<tr>
<td>Total</td>
<td>133,620</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Table 6: Zakah on Paddy Subsidy

<table>
<thead>
<tr>
<th>Category% States</th>
<th>Zakah Rate on Paddy Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Johor</td>
<td>10% of paddy production + subsidy</td>
</tr>
<tr>
<td>Kedah</td>
<td>2.5 (subsidy regarded as med mustafar)</td>
</tr>
<tr>
<td>Terengganu</td>
<td></td>
</tr>
<tr>
<td>Selangor</td>
<td></td>
</tr>
<tr>
<td>Melaka</td>
<td></td>
</tr>
<tr>
<td>Kelantan</td>
<td></td>
</tr>
<tr>
<td>Pahang</td>
<td></td>
</tr>
<tr>
<td>Negeri Sembilan</td>
<td></td>
</tr>
<tr>
<td>Perak</td>
<td></td>
</tr>
<tr>
<td>Perlis</td>
<td></td>
</tr>
</tbody>
</table>

Source: Interviews with State Islamic Religious Council, State Zakah Centre and State Mufti Department Representatives.

whether farmers in their states do in fact receive this subsidy. In addition, zakah administrators in these states also share the opinion that paddy subsidy need not be subject to zakah because such a subsidy is regarded as additional revenue received by farmers in the form of financial help to assist them in developing their agricultural activities [27, 29-44].

DISCUSSION

Considering the current situation and condition, the researchers feel that it is imperative to review the method of assessing paddy zakah, taking into consideration the deduction of production costs and the cost of living. This issue should be addressed based on the current situation since many muslim scholars thought that any Islamic jurisprudence matters should be tackled by taking into consideration the modern situation either the issue related to family law, criminal law and transactions or contracts [50]. This argument is based on the figh maxim of al-darar yuzal (harm must be eliminated), whereby detrimental effects must be eliminated [51]. A detrimental effect here means the possibility that if the production costs and the cost of living are not deducted, it will lead to the burden of zakah payment imposed upon farmers who are poor. Having said that, the researchers do not deny that crop zakah deals with visible material assets on which zakah is compulsory.

In addition to this, the maxim of la yunkar taghayyur al-ahkam bi taghayyur al-azman (it is undeniable that rules of law vary with change of time) can be used as support, whereby the applicable rules change as time changes. A change in rule here does not mean a change from wajib to voluntary; instead, it refers to the change of opinion from no cost deduction to the deduction of costs, considering the current agricultural practice, which requires a higher expenditure. The same goes for the deduction of costs of living. If those who pay zakah on personal income are allowed the deduction of cost of living, it is also appropriate that farmers also be allowed the deduction of the cost of living. This is relevant to the case of farmers, in light of the practice used by Rasulullah (s.a.w.), who instructed zakah assessors to deduct 1/4 or 1/3 of the crop produced and assess only the remaining 2/3 of the crop [13].

Taking into consideration the fast developing economy and the situation faced by farmers today, the researchers are of the opinion that agricultural zakah assessment methods need to be re-evaluated for the following reasons:

- As explained earlier, farmers are forced to take on all kinds of costs and expenditures in paddy cultivation. The nisab for zakah should be calculated after the deduction of production costs because increases in paddy production are parallel with increases in production cost. As such, it is appropriate to deduct all of the production costs and expenditures from the gross income to secure the interest of the farmers;
- The nisab for zakah should also take into account deductions for cost of living for these farmers so as to ensure that only those who can truly afford it will be subject to paying zakah to be distributed to the asnafs. This is to ensure that zakah will not be viewed as a burden to farmers and that it is conducive to achieving its shariah objectives by taking into consideration the cost of living for the farmers and their families; and
• There is a need to review the zakah imposed on subsidy in some states because the subsidy is deemed as a separate additional income that should be subject to a different nisab and subject to a different hawl. Nevertheless, it is appropriate to exclude subsidies from zakah consideration because the subsidy was given to ensure that the welfare of the farmers is secured. This is because subsidy is a form of payment transfer given to farmers and it is inappropriate for such subsidy to be included in the assessment of agricultural zakah.

CONCLUSION

This study delves into the effect of paddy zakah assessment methods on farmers, whereby the nisab for paddy in terms of ringgit is lower than the poverty line in Malaysia, when in fact the paddy zakah is meant to be distributed from the wealthy to the poor. As such, the result of the re-evaluation of the existing agricultural zakah assessment method may lead researchers to propose new methods of assessment that will take into account a number of factors such as the re-evaluation of the value of five awsuq, the deduction of production costs and the cost of living and the exemption of paddy subsidy from agricultural zakah assessment.

ACKNOWLEDGEMENT

The authors would like to thank the University of Malaya (FR004/2007A, RM75000) and the Ministry of Higher Education (FP029/2008C, RM70000) for their financial support provided for this study. We also thank individuals and agencies that have directly or indirectly provided their cooperation to the researchers, enabling the researchers to gather the latest data and information relating to this research on agricultural zakah. We are also indebted to all of research assistants who participated throughout the research period.

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