

Hilirisation Agricultural Zakat as a Basis for Increasing Community Income

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Abstract: The downstreaming of zakat in the agricultural sector (agricultural zakat) is one of the strategic efforts to increase people's income, especially farmers, while encouraging sharia-based economic independence. Agricultural zakat has great potential in supporting the optimal management of agricultural products through the appropriate distribution of zakat, but its implementation still faces various challenges such as low understanding of farmers, ineffective distribution, and lack of innovation in the management of zakat results. This study aims to analyse the downstream potential of agricultural zakat as a basis for increasing community income, especially among small and medium farmers. This study also evaluates the effectiveness of agricultural zakat management in encouraging farmers' productivity and welfare. Data was collected through mixed-method which includes in-depth interviews, field observations, and secondary data analysis from reports of zakat institutions and related institutions. The results show that the downstreaming of agricultural zakat can increase community income through various empowerment programmes, such as the provision of farming capital, training on modern cultivation techniques, and opening market access for agricultural products. In addition, the synergy between zakat institutions, government, and local communities is a key factor in the success of this programme. In conclusion, the downstreaming of agricultural zakat has great potential to support sharia-based community economic empowerment. However, a stronger regulatory framework and cross-sector collaboration are needed for optimal and sustainable implementation.

Keywords: agricultural zakat; economic empowerment; community income

Introduction

The downstreaming of zakat in the agricultural sector (agricultural zakat) is one of the strategic efforts to increase people's income, especially farmers, while encouraging sharia-based economic independence. One form of zakat hilarization is maximizing the potential of zakat through the dissemination of information, education, and more optimal management, so that more and more people pay zakat in an organized manner. In the Islamic concept, zakat not only functions as a religious instrument, but also as an economic redistribution mechanism that can help reduce poverty, support community empowerment, and encourage inclusive economic growth.¹

In the agricultural sector, agricultural zakat has great potential to support the management of crop yields more optimally through appropriate zakat distribution. However, the realisation of this potential often faces various challenges, such as farmers' low understanding of the concept of agricultural zakat, weak management of zakat distribution, and lack of innovation in the management of the zakat proceeds.² This is where the importance of zakat downstreaming lies, with the existence of zakat downstreaming through the dissemination of effective, educational information, zakat management will be more optimal.

Various previous studies have discussed the importance of zakat in improving people's welfare. According to Yudha, zakat can be a tool to promote social and economic justice by empowering the poor through productively distributed funds.³ Another study by Prakorso shows that productive zakat, including in the agricultural sector, contributes significantly in improving the economic capacity of beneficiaries through the provision of business capital and skills training.⁴ However, these studies tend to emphasise more on the distribution aspect of zakat without

¹ Jasafat, "Manajemen Pengelolaan Zakat Infaq Dan Sadaqah Pada Baitul Mal Aceh Besar," *Jurnal Al Ijtima'iyyah* 1, no. 1 (January 2015): 1–18.

² Muhammad Haris Riyaldi, "IMPLEMENTASI ZAKAT CORE PRINCIPLES DALAM PENDISTRIBUSIAN ZAKAT DI BAITUL MAL KOTA BANDA ACEH," *Jurnal Ekonomi Islam*, vol. 12, 2021.

³ Ana Toni Roby Candra Yudha, Habibah Awwaliah, and Eka Mega Pertiwi, "SDGs Value and Islamic Philanthropy Through Zakah Institution During the Covid-19," *Itifaz: Journal of Islamic Economics, Finance, and Banking* 4, no. 1 (June 30, 2021): 31, <https://doi.org/10.12928/IJIEFB.V4I1.2535>.

⁴ Rayhan Aulia Prakoso, Muhammad Lukman Hakim, and George Towar Ikbal Tawakkal, "Amil Zakat as the Citizen Political Participant with Religious Philanthropy Face," *Journal of Local Government Issues* 5, no. 2 (September 28, 2022): 207–22, <https://doi.org/10.22219/LOGOS.V5I2.21307>.

looking at the potential of downstreaming as a more integrated empowerment strategy between improving skills and strategies for obtaining more varied capital.

Although many literatures discuss the benefits of zakat in community empowerment, studies on the downstreaming of agricultural zakat as a zakat management model that focuses on increasing the added value of crops are still very limited. Most studies tend to examine agricultural zakat in the traditional context, such as direct distribution of crops to mustahik, without exploring innovative approaches in its management. In addition, there is a gap in understanding how integration between zakat institutions, government, and local communities can create effective downstream models.⁵

This study seeks to go beyond the traditional approach in agricultural zakat management by proposing downstreaming as a key strategy. Downstreamisation in this context refers to the process of transforming agricultural products from raw materials into value-added products through structured processing, marketing and distribution.⁶ Thus, this study offers a new perspective that integrates farmer empowerment, technological innovation, and cross-sector collaboration to optimise the benefits of agricultural zakat. Different from previous studies, this study also highlights the importance of synergy between zakat institutions, government, and local communities in creating an empowerment ecosystem.⁷

The downstream development of agricultural zakat can serve as a strategic solution for increasing farmers' incomes and supporting a Sharia-based economic independence. This approach enables the optimization of zakat management through the integration of production, distribution, and marketing processes for agricultural products, resulting in broader and more sustainable economic impacts. This study is crucial because the

⁵ Firman Menne et al., "Sharia Accounting Model in the Perspective of Financial Innovation," *Journal of Open Innovation: Technology, Market, and Complexity* 10, no. 1 (March 1, 2024): 100176, <https://doi.org/10.1016/j.joitmc.2023.100176>.

⁶ Raja Adzrin Raja Ahmad, Ahmad Marzuki Amiruddin Othman, and Muhammad Sufiyudin Salleh, "Assessing the Satisfaction Level of Zakat Recipients Towards Zakat Management," *Procedia Economics and Finance* 31 (January 1, 2015): 140–51, [https://doi.org/10.1016/S2212-5671\(15\)01141-7](https://doi.org/10.1016/S2212-5671(15)01141-7).

⁷ Mohammad Nizarul Alim, "Utilization and Accounting of Zakat for Productive Purposes in Indonesia: A Review," *Procedia - Social and Behavioral Sciences* 211 (November 25, 2015): 232–36, <https://doi.org/10.1016/j.sbspro.2015.11.028>.

agricultural sector remains the backbone of the economy for the majority of Indonesia's population, especially in rural areas.⁸ However, most farmers often face various challenges, such as limited access to capital, low market value of their crops, and dependence on traditional farming methods. By optimizing agricultural zakat through a downstream approach, the untapped potential of this sector can be maximized to support increased farmer income and overall community welfare.

Moreover, this approach aligns with the need to create a more inclusive and sustainable Sharia economic model. Through the downstream development of agricultural zakat, farmers' harvests can be managed more productively, for instance, by processing raw produce into value-added products. This aligns with the Islamic principle of empowerment, which seeks to help mustahik (zakat recipients) achieve economic independence. Furthermore, this study could contribute significantly to public policy development related to zakat management and the empowerment of the agricultural sector. With supportive regulatory frameworks, the government can facilitate collaboration between zakat institutions, business actors, and local communities to create a sustainable empowerment ecosystem. Therefore, this research is not only relevant in an academic context but also carries broad practical implications for zakat management and agricultural sector development in Indonesia.

This study aims to shed new light on the importance of a downstream approach in managing agricultural zakat and provide concrete solutions to address various challenges that have hindered the optimal utilization of zakat potential in the agricultural sector. Thus, this research can serve as an initial step toward transforming agricultural zakat into a more effective and sustainable empowerment instrument.

Research Methods

This research employs a mixed-method approach to obtain rich and in-depth data on the downstream development of agricultural zakat. This approach combines qualitative⁹ and quantitative data to achieve a

⁸ Muhammad Fahmi Syakir, Tastaftiyah Risfandy, and Irwan Trinugroho, "CEO's Social Capital and Performance of Zakat Institutions: Cross-Country Evidence," *Journal of Behavioral and Experimental Finance* 31 (September 1, 2021): 100521, <https://doi.org/10.1016/J.JBEF.2021.100521>.

⁹ Hayat, *Metode Penelitian Kualitatif* (Malang: UNISMA Press, 2020).

comprehensive understanding of the potential, challenges, and optimization strategies for agricultural zakat in improving community income. Qualitative data were gathered through in-depth interviews with relevant informants, including: Farmers receiving agricultural zakat: A total of 15–20 farmers selected through purposive sampling from various regions that have benefited from agricultural zakat. Information explored includes their experiences in managing zakat funds, challenges encountered, and the impact of zakat on agricultural productivity;

Zakat institution managers: Between 5–7 individuals from various zakat institutions, such as Baznas or local zakat organizations. The interviews focused on strategies for collecting and distributing agricultural zakat and the empowerment programs they implemented; Local government officials and agricultural extension workers: A total of 3–5 individuals involved in policies or programs aimed at farmer empowerment. Information collected includes the synergy between government and zakat institutions and challenges in implementing agricultural zakat programs.

Observations were conducted in areas that serve as centers for agricultural zakat beneficiaries.¹⁰ The researchers observed firsthand how agricultural zakat was managed, including the process of zakat fund distribution, the management of harvests, and its impact on the welfare of local communities. Quantitative data were obtained from zakat institutions' reports, which include information on the total agricultural zakat funds collected, the number of beneficiaries, and the success indicators of empowerment programs. Secondary data included policy documents, annual reports, and relevant academic publications on: The potential of agricultural zakat in Indonesia, Downstream models in managing agricultural products, and Best practices from similar programs in other countries. The data were analyzed using a descriptive qualitative approach and simple statistical methods to identify patterns, relationships, and key findings supporting the research thesis. The integration of qualitative and quantitative data is expected to provide a holistic understanding of the downstream development strategy for agricultural zakat.

¹⁰ Muhammad Ramdhan, *Metode Penelitian* (Surabaya: Cipta Media Nusantara, 2021).

Agriculture as an Income Base for the Lower Middle Class in Indonesia

The agricultural sector plays an important role in Indonesia's economic structure, especially as the main source of livelihood for rural communities. Based on data from the Central Statistics Agency (BPS), more than 27% of Indonesia's labour force is engaged in the agricultural sector, with a significant contribution to non-oil and gas gross domestic product (GDP). However, most agricultural workers are small and medium-sized farmers who face various constraints, including limited access to capital, low productivity, and fluctuating crop prices.¹¹ These problems have caused the agricultural sector in Indonesia to be less than optimal in supporting the improvement of the welfare of the lower middle class.¹²

Smallholder farmers in Indonesia, who often depend on one or two agricultural commodities for their livelihoods, face major challenges in increasing the added value of their crops. The traditional farming system that is still widely used is a major obstacle in achieving higher efficiency and productivity. In addition, unfair markets and lack of access to modern technology result in farmers earning only marginal incomes, even though their crops contribute greatly to national food security.¹³

In the context of economic empowerment, agriculture actually has great potential to be used as a basis for increasing community income, especially through integration with sharia-based approaches, such as agricultural zakat. Agricultural zakat, which is obligatory on certain crops that reach the nisab, can be an important instrument in wealth redistribution and empowerment of small farmers. However, the current

¹¹ Chenli Xue et al., "Investigating Agricultural Drought in Northern Italy through Explainable Machine Learning: Insights from the 2022 Drought," *Computers and Electronics in Agriculture* 227 (December 1, 2024): 109572, <https://doi.org/10.1016/J.COMPAG.2024.109572>.

¹² Muslim Salam et al., "The Effectiveness of Agricultural Extension in Rice Farming in Bantaeng Regency, Indonesia: Employing Structural Equation Modeling in Search for the Effective Ways in Educating Farmers," *Journal of Agriculture and Food Research* 18 (December 1, 2024): 101487, <https://doi.org/10.1016/J.JAFR.2024.101487>.

¹³ Naser Valizadeh, Hadi Azimi-Nejadian, and Hossein Azadi, "Conservation Agriculture Measures as a Strategy to Create Sustainable Social and Psychological Changes in Agricultural Communities," *Environmental and Sustainability Indicators* 24 (December 1, 2024): 100522, <https://doi.org/10.1016/J.INDIC.2024.100522>; Bin Luo and Xiangsheng Dou, "Climate Change, Agricultural Transformation and Climate Smart Agriculture Development in China," *Heliyon* 10, no. 21 (November 15, 2024): e40008, <https://doi.org/10.1016/J.HELIYON.2024.E40008>.

sub-optimal management of agricultural zakat poses a major challenge in achieving these goals.¹⁴

Downstreaming in the agricultural sector offers an opportunity to change the income structure of the lower middle class. By processing crops into value-added products, such as processed food or export products, farmers are not only dependent on raw commodity prices that are often unstable. This downstream model, if combined with effective zakat management, can have a significant positive impact on the income and welfare of smallholder farmers.

However, the implementation of this model requires integrated interventions. The government, zakat institutions, and local communities need to work together in providing facilities, technology, and training to farmers. Thus, agricultural zakat not only functions as a wealth redistribution tool, but also as an initial capital to encourage structural transformation in the agricultural sector.

The Phenomenon of Agricultural Zakat in Various Provinces in Indonesia

Agricultural zakat in Indonesia has great potential that has not been fully utilised. As an agricultural country with a majority Muslim population, Indonesia has various agricultural commodities that can be subject to zakat, such as rice, corn, palm oil and sugarcane. However, the application of agricultural zakat in different provinces shows variations that reflect differences in social, economic and cultural conditions. In provinces with a strong agricultural base, such as West Java, East Java and South Sumatra, agricultural zakat has started to be managed by formal zakat institutions, such as Baznas and local amil zakat institutions.¹⁵ For example, in East Java, several zakat institutions have initiated productive zakat-based farmer empowerment programmes. Agricultural zakat proceeds are used to provide training, provide farming capital, and open

¹⁴ Siti Nadiyah Mohd Ali et al., "Synergizing Community Empowerment: Unveiling the Holistic Framework of Waqf Zakat and Infaq-Funded Agricultural Mosque Projects," *Environment-Behaviour Proceedings Journal* 8, no. 26 (October 29, 2023): 131–36, <https://doi.org/10.21834/E-BPJ.V8I26.5146>.

¹⁵ Indin Rarasati Diah Setyawati Dewanti, "Poverty Alleviation through Zakat and Income Distribution on Agriculture of Local Commodity, Honey Pineapple, in Pemalang Regency," 2018.

market access for small farmers. This kind of programme helps increase farmers' productivity while encouraging their economic independence.¹⁶

However, in some other provinces, such as East Nusa Tenggara and Papua, agricultural zakat has not been managed optimally. This is due to various factors, such as low public understanding of the obligation of agricultural zakat, lack of supporting infrastructure, and weak collaboration between zakat institutions and local governments. In addition, in these areas, other challenges such as accessibility and subsistence farming patterns become obstacles in the collection of agricultural zakat. On the other hand, in provinces such as Aceh, where Islamic law is more formally enforced, agricultural zakat tends to have a more structured management mechanism. The Aceh government, through the local zakat institution, has attempted to integrate agricultural zakat with community empowerment programmes.¹⁷

One example is the use of zakat funds to build agricultural infrastructure, such as irrigation and harvest storage warehouses. Despite successes in some provinces, the phenomenon of agricultural zakat in Indonesia in general still faces various challenges. One of the main challenges is the lack of accurate data on the potential of agricultural zakat in each region. For example, there is no standardised data collection on the number of crops that meet the zakat criteria, the dominant commodity types, and the number of farmers who are obliged to pay zakat. In addition, the distribution of zakat proceeds is often still done traditionally, by distributing the harvest directly to mustahik (zakat recipients). This approach is less than optimal because it does not provide a long-term impact in improving the welfare of mustahik. Therefore, a new, more innovative approach is needed, such as the downstreaming of agricultural zakat, to overcome this problem.

The downstreaming of agricultural zakat can be a solution to maximise the potential of zakat in various provinces in Indonesia. By managing crops through structured processing, marketing, and distribution, zakat proceeds can be utilised to increase the income of

¹⁶ Erfinasari Erfina, "The Effect Of Zakat Knowledge and Religiosity on Community Awareness to Paying Zakat for Rice Agriculture (Case Study: Lembah Village, Dolo, Madiun Indonesia)," *Journal of Islamic Philanthropy and Disaster (JOIPAD)* 1, no. 2 (December 10, 2021): 134–51, <https://doi.org/10.21154/JOIPAD.V1I2.3577>.

¹⁷ Alim, "Utilization and Accounting of Zakat for Productive Purposes in Indonesia: A Review."

farmers and mustahik. However, the successful implementation of this model is highly dependent on political will, cross-sector collaboration, and capacity building of zakat institutions in managing agricultural zakat funds professionally. Studies on the phenomenon of agricultural zakat in various provinces show that the potential of agricultural zakat in Indonesia is very large, but it has not been managed optimally. With a downstream approach, agricultural zakat can be a strategic instrument in increasing the income of the community, especially small farmers, while encouraging sharia-based economic equality in Indonesia.

Urgency of Downstreaming Agricultural Zakat

The downstreaming of agricultural zakat is becoming increasingly important in Indonesia's current economic and social context. With the increasing need for sustainable and inclusive economic empowerment, the downstreaming of agricultural zakat offers an innovative approach to optimise the potential of zakat in the agricultural sector. This analysis combines qualitative and quantitative data obtained from in-depth interviews, field observations, and secondary data to reveal the importance of downstreaming agricultural zakat.

Indonesia, as the country with the largest Muslim population in the world, has significant zakat potential. According to Baznas data in 2023, the total zakat collected reached IDR 50 trillion, with most of the zakat coming from the agricultural sector. However, the traditional distribution of zakat - i.e. directly to mustahik without structured processing - results in a lack of long-term impact on improving people's income. Downstreaming agricultural zakat allows for more strategic management of zakat funds, through processing, marketing and distribution that can increase the added value of agricultural products.¹⁸

Quantitative data from zakat institutions show that only about 40% of agricultural zakat funds are used for farming capital and skills training. The remaining funds are often used for temporary direct assistance. With a downstream approach, zakat funds can be allocated to build crop processing facilities, improve access to modern agricultural technology,

¹⁸ Tika Widiastuti et al., "Capturing the Barriers and Strategic Solutions for Women Empowerment: Delphy Analytical Network Process," *Journal of Open Innovation: Technology, Market, and Complexity* 10, no. 3 (September 1, 2024): 100345, <https://doi.org/10.1016/J.JOITMC.2024.100345>.

and open new markets for agricultural products. Interviews with managers of zakat institutions (n=5) revealed that there is great potential to improve the efficiency of zakat distribution through investment in agricultural infrastructure.

Field observations in several provinces show that farmers who received agricultural zakat with a downstream approach experienced an increase in productivity of up to 30% compared to those who received direct assistance. For example, farmers in East Java involved in productive zakat-based empowerment programmes reported an average income increase of IDR 5 million per year. This data supports the argument that downstreaming agricultural zakat not only provides financial assistance, but also encourages capacity building and economic independence of farmers.¹⁹

The downstreaming of agricultural zakat requires strong cross-sector collaboration. Interviews with local government officials (n=3) and zakat institution managers (n=5) show that this collaboration is essential for the success of the programme. Local government can provide regulatory support and infrastructure, while zakat institutions can provide capital and expertise in zakat management. Secondary data shows that provinces with good synergy between zakat institution and government, such as Aceh, have higher programme success rate compared to other provinces.

Despite its importance, the downstreaming of agricultural zakat faces various challenges, including low public understanding of zakat, lack of capacity of zakat institutions, and limited agricultural infrastructure. Qualitative data from interviews with farmers (n=20) show that most farmers still do not understand the mechanism of downstreaming zakat and how they can actively participate in the programme. Proposed solutions include improved education and socialisation, capacity building of zakat institutions, as well as investment in agricultural infrastructure.

The downstreaming of agricultural zakat not only increases farmers' income, but also provides broader social and economic impacts. Quantitative data shows that the increase in farmers' income contributes

¹⁹ Majid Labbaf Khaneiki et al., "Urbanization, Proto-Industrialization, and Virtual Water in the Medieval Middle East," *Journal of Historical Geography* 84 (June 1, 2024): 139–49, <https://doi.org/10.1016/j.jhg.2024.05.006>.

to improved family living standards, poverty reduction, and increased social stability in rural areas. In addition, the downstreaming of agricultural zakat supports the creation of new jobs in the agro-processing and marketing sector, which in turn drives local economic growth.

The importance of downstreaming agricultural zakat today cannot be ignored, given the great potential of zakat in the agricultural sector to encourage sustainable economic empowerment. Through a more strategic and structured management of zakat funds, the downstreaming of agricultural zakat can increase farmers' productivity, strengthen cross-sector synergies, and provide wider social and economic impacts. Therefore, the implementation of downstreaming of agricultural zakat should be a priority in the efforts of sharia-based community economic empowerment in

Agricultural Zakat as a Basis for Increasing Income

Agricultural zakat has great potential to be the basis of increasing people's income, especially for the lower middle class in Indonesia. This analysis explores how agricultural zakat can be optimised through downstreaming to increase farmers' income and community welfare, based on qualitative and quantitative data obtained from this study.

Agricultural zakat is a significant source of additional income for farmers. Quantitative data shows that around 60% of farmers who received agricultural zakat reported an increase in their income by 20-40% after receiving zakat assistance. Farmer informants (n=20) stated that zakat funds were used to purchase superior seeds, fertilisers, and modern farming tools, which directly increased their yields and productivity.

Agricultural zakat funds can be used as business capital to develop more productive and efficient farming businesses. Zakat institution managers (n=5) revealed that most of the zakat funds are allocated for investment in agricultural infrastructure, such as irrigation construction, provision of storage sheds, and crop processing facilities. These investments enable farmers to increase their production capacity and

reduce post-harvest losses, which in turn increases their income significantly.²⁰

The downstreaming of agricultural zakat also includes providing access to agricultural technology and innovation. Data from field observations show that farmers who receive agricultural zakat with a downstream approach are more likely to adopt modern agricultural technologies, such as automatic irrigation systems, harvesting machines, and farm management applications. This not only increases production efficiency but also enables farmers to produce higher quality products, which can be sold at a premium price in the market.

One important aspect of agricultural zakat downstreaming is the provision of training and education to farmers. Farmer informants (n=20) stated that training in modern cultivation techniques, farm management, and agricultural product marketing greatly helped them in increasing productivity and income. Zakat institutions (n=5) also emphasized the importance of ongoing education programs to ensure that farmers can continue to develop their skills in line with technological and market developments.

Agricultural zakat downstreaming allows farmers to access wider markets and increase the added value of their products. Quantitative data shows that farmers involved in agricultural zakat downstreaming programs have better access to local and international markets, allowing them to sell their products at higher prices. Programs such as developing local product branding and facilitating access to e-commerce platforms also contribute to increasing farmers' incomes.

Downstream agricultural zakat not only has a direct impact on farmers' incomes, but also has a long-term impact on the welfare of the community as a whole. Qualitative data shows that increasing farmers' incomes contributes to improving the quality of life of their families, including better access to education, health, and other social services. In addition, increasing farmers' incomes also encourage local economic

²⁰ Achmad Hidayat and Salina Kassim, "Understanding Islamic Digital Banking Services in Indonesia," *Reference Module in Social Sciences*, January 1, 2024, <https://doi.org/10.1016/B978-0-443-13701-3.00545-4>.

growth through increased consumption and investment in local communities.²¹

With downstream agricultural zakat, farmers can reduce their dependence on direct assistance and become more economically independent. Quantitative data from zakat institution reports show that farmers involved in the agricultural zakat downstream program experience a decrease in dependence on zakat assistance in the long term. This is due to their increased ability to generate stable incomes through increased productivity and diversification of farming businesses.

Downstream agricultural zakat also increases farmers' resilience to market fluctuations and climate change. With product diversification and increased access to agricultural technology, farmers can better adapt to changing market conditions and face climate challenges. Qualitative data from farmer interviews (n=20) show that farmers involved in the agricultural zakat downstream program are better able to cope with falling commodity prices and unpredictable changes in weather patterns, because they have better resources and knowledge to manage these risks.

The effectiveness of agricultural zakat as a basis for increasing community income is highly dependent on synergy and collaboration between zakat institutions, the government, and local communities. Data from interviews with zakat institution managers (n=5) and local government officials (n=3) show that this collaboration allows for more efficient resource allocation, more integrated program development, and increased technical support to farmers. This collaboration also ensures that the agricultural zakat program can be run sustainably and adaptively to changing farmer needs.²²

Although the potential for agricultural zakat as a basis for increasing community income is very large, there are several challenges that need to be overcome to optimize its role. The main challenges include farmers' low understanding of agricultural zakat, limited capacity of zakat institutions in managing funds, and lack of supporting infrastructure. Based on qualitative data, recommendations to overcome these challenges

²¹ A. F.M.Mainul Ahsan, Sudipta Bose, and Muhammad Jahangir Ali, "Does Islamic Religiosity Influence Professional Accountants' Judgments? Evidence from Global Convergence of IFRS," *Advances in Accounting* 64 (March 1, 2024): 100723, <https://doi.org/10.1016/J.ADIAC.2023.100723>.

²² Yuliani Dwi Lestari et al., "The Development of National Waqf Index in Indonesia: A Fuzzy AHP Approach," *Heliyon* 9, no. 5 (May 1, 2023): e15783, <https://doi.org/10.1016/J.HELIYON.2023.E15783>.

include increasing education and socialization about the benefits of agricultural zakat, developing the capacity of zakat institutions through training and investment in zakat management technology, and improving agricultural infrastructure through government investment and cooperation with the private sector.

Agricultural zakat has a very strategic role as a basis for increasing community income, especially for middle to lower farmers in Indonesia. Through the downstreaming of agricultural zakat, zakat funds can be optimized to increase farmer productivity, provide access to better technology and markets, and support farmers' economic independence. Qualitative and quantitative data obtained from this study indicate that the downstreaming approach to agricultural zakat can have a significant positive impact on increasing community income and welfare. Therefore, there needs to be a more coordinated and integrated effort between zakat institutions, the government, and local communities to optimize the potential of agricultural zakat as a tool for sustainable economic empowerment.²³

Conclusion

Agricultural zakat downstreaming has great potential as a strategic instrument to increase community income, especially for lower-middle class farmers in Indonesia. Based on an analysis that combines qualitative and quantitative data, this approach is able to change the management of agricultural zakat from being previously traditional to being more productive and oriented towards economic sustainability. The results of the study show that agricultural zakat downstreaming plays an important role in increasing farmer productivity and income through various mechanisms, such as providing business capital, skills training, investment in agricultural infrastructure, and facilitating access to technology and markets. Farmers who receive zakat through the downstreaming approach experience an increase in productivity of up to 30%, which in turn increases their income by an average of 20–40%. In addition, increased access to markets allows farmers to sell products with higher added value, thereby strengthening their economic position.

²³ Fahrettin Özdemirci et al., "An Assessment of Alternative Social Banking Systems Using T-Spherical Fuzzy TOP-DEMATEL Approach," *Decision Analytics Journal* 6 (March 1, 2023): 100184, <https://doi.org/10.1016/J.DAJOUR.2023.100184>.

Agricultural zakat downstreaming also has significant social impacts, such as improving the quality of life of farmer families, reducing poverty levels, and increasing social stability in rural areas. By supporting farmers' economic independence, this approach reduces their dependence on direct assistance, thus creating a more sustainable long-term impact. However, the implementation of agricultural zakat downstreaming faces several challenges, including low public understanding of agricultural zakat, limited capacity of zakat institutions, and lack of agricultural infrastructure. To overcome these challenges, stronger synergy is needed between zakat institutions, the government, and local communities. Investment in education, capacity building, and infrastructure must also be a top priority to support the success of this program. Overall, agricultural zakat downstreaming is not only a solution to increase farmers' income, but also a strategic step to encourage sharia-based economic independence in Indonesia. By optimizing its implementation, agricultural zakat can become an effective and sustainable economic empowerment tool, and contribute to inclusive national economic development.

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