Cheap Qurban Syariah Investment (CQSI) Program, Empowerment and Price Stabilization

Ardi Novra*, Adriani*, Depison*, Ade Octavia*

*Faculty of Animal Science, Jambi University, Indonesia
*Faculty of Economic and Business, Jambi University, Indonesia
*Corresponding author: ardinovra@unja.ac.id

Abstrak

The research objective to develop a model of ummah fund utilization in the form of Cheap Qurban Syariah Investment (CQSI) with the synergy between the purpose of worship and the value of social benefits for the ummah empowerment. The study method used in the model design analyzes the beef cattle market’s behavior, and a cost-benefit analysis of sharia investment in the pattern of profit sharing, the added value of beef cattle fattening efforts. Using the cost-benefit analysis of the profit-sharing partnership scheme, it was found that investment in cheap Qurban programs reduced the cost of Qurban borne by participants by 19.79% without lowering the Share of income received by beef cattle breeder partners and management fees for managing institutions. The more extended flexibility of procurement of feeder cattle when the conditions of low market demand and the reduced pressure on demand for ready-to-cut cattle at the time of Qurban worship will indirectly reduce the excessive fluctuations in commodity market prices. Based on the model developed, it can be concluded that cheap Qurban programs can encourage the utilization of the potential of ummah funds for farmers’ economic empowerment, business opportunities for entrepreneurs, and Islamic institutions and indirectly help stabilize commodity prices for beef cattle without reducing the actual value of worship.

INTRODUCTION

Qurban is often termed Udhiyah or Dhadiyyah, which means animal slaughter carried out in the month of Dhulhijjah on the 10th and 11th, 12th, and 13th (Tasyrik day) or coinciding with the Eid al-Adha Day. The history of sacrifice before Prophet Ibrahim also occurred when Abel and Qabil were the sons of Prophet Adam AS. This is as stated in QS Al-Maidah verse 27 "Tell them the second story of the son of Adam (Abel and Qabil) according to the truth, when the two offered Qurban, it was received from one of them (Abel) and was not received from the other (Qabil). He said (Qabil): "I must have killed you!" Abel said: "Verily Allah only accepts (Qurban) from those who are devoted."

Qurban, besides being a form of our gratitude to Allah of the Supreme Creator, also has 2 (two) main characters, namely the existence of sacrifice and sincerity (Amran, 2011). The gift is a feeling that shows the desire of a servant
to do good to others, likes to help people, and will be anxious when they cannot provide benefits. The same thing with sincerity is a character of a servant's submission at His will because he is sure that what He has determined must bring good to all. Both of these characters are very important to be actualized in everyday life, especially in the midst of various problems that still plague this nation. Qurban, Zakat, Infaq, Shodaqoh, and Waqf, which have been running amid society, are manifestations of Qurban. The more we spend on all these programs, the more significant our charity's savings as a provision in the hereafter, and more and more people will feel the benefits.

Both of these thankful signs of God's servants in real life sometimes make some Muslims ignore that there still needs to be an effort to maximize benefits. Cases such as the pilgrimage services' weakness that occur continuously can be used as learning material for the ummah. Both characters are used by some parties to provide services below the minimum standard because they believe that the ummah will accept and not do "criticism or protest" in the name of sincerity. The same phenomenon is also commonly found in the state's life, even though we ummah also believe that "Allah will not change people's destiny except the people who change what is in themselves" Q.S 13:11. According to Samuel Smiles in Cahyani (2008), changes begin with ideas or thoughts, plant the ideas of quotes, plant actions to practice habits, plant habits of picking character, and plant character, determine fate. It all starts with ideas realized in action, then activities that are done repeatedly will become a habit. Habits carried out many times will manifest into character, and this character will ultimately lead us to fate so that our destiny, we alone determine or is in our hands.

The main problem in the procurement of Qurban cattle in Indonesia is a significant price increase that continues from year to year. For example, the price of Qurban cattle in August 2019 has increased quite significantly because it is approaching the implementation of Eid al-Adha. The cost of Qurban cattle is automatically adjusted to market conditions, which tend to be high so that on a typical day, the price of a cow weighing 350 kg is only IDR 13,000,000 - 15,000,000, but during Eid al-Adha, it can reach more than IDR 17,000,000 (Kitabisa.com, 2019). The price of Qurban Cows is influenced by location, type, and bodyweight factors and body shape and appearance/body shape factors if cattle purchase is estimated. The buyer will judge the proportionality of the cattle, namely the balance between body weight and height. Then, consumers also see the legs, and usually good cows have sturdy legs and a thick body, and the movements of cows look agile. Furthermore, the buyer will assess the color motif of cow skin, and for example, Simental Cows, which are white brown, are preferred over P.O. (Ongol Peranakan) cows. On the other hand, not only color but horns can also increase the selling price of Qurban cows where the longer and more symmetrical the horns are, the higher the price will be, such as the Brahman Cross cow, the cost can reach IDR 25,000,000 during Eid al-Adha with a large, tall, weighty body. Long-horned.

The increase in the price of Qurban cattle, besides being followed by the rise in beef price, will also encourage growth in feeder cattle's price to affect
capital cost. The largest component of the variable cost of the fattening up to reach business is the cost of procurement of feeders, namely 56.90% on Scale I (1-5 heads) and 37.46% on Scale-II (6-10 birds) and followed by the component of feed costs which are mostly non-cash. (Aplunggi et al., 2017). The largest cost structure allocated for beef cattle breeders in Bojonegoro Regency is feeder at private prices amounting to IDR 5,148,017.49 or 50.51% of IDR's total cost 10,191,534.25 for fattening (Lestari et al., 2017). The business of fattening cattle will reduce the purchase of feeder cattle because feeder cattle's price increases, especially during the Eid al-Adha celebration following the rise in demand for beef and beef prices (Karina et al., 2015).

One of the obstacles in accelerating smallholder beef cattle development is the low access of farmers to capital resources (financing), including in the fattening business. The source of capital for beef cattle business in rural Indonesia generally comes from their wealth, the results of complaints between individuals and government or private assistance programs (Widiati, 2012). The agricultural sector components, which consist of the food crops, the plantation, the livestock, and the fisheries sub-sector, are less attractive to banks in financing because they have risks, one of which is the risk of falling prices (Saptana, 2005). Sharia financing schemes, namely Salam, Istisna, Ijarah, Ijarah Mum Tahiyah bit Tamlık, Musyarakah, Mudharabah as alternatives to farmer financing, this scheme has an excellent opportunity to be implemented because it has agricultural-based characteristics with no interest, partnerships with profit-loss sharing, and fulfillment of goods suitable for farmers (Nasution, 2016). Mudaraba is a business collaboration between two parties, where the first party or Shahibul Mall provides 100% of the capital while the other party manages it. Mudharabah financing has a negative and significant effect on the ROE (return on equity) level, while Musyarakah financing has a positive and significant impact (Permata, 2014).

According to Murniati (2018), the development of the concept of Islamic finance in society is in line with the emergence of various studies related to financial ideas based on the principle of justice where there is a division not only in terms of profits but also in losses which are usually called profit-loss sharing. Based on the description above, it is deemed necessary to develop a model of ummah fund utilization in cheap Qurban with the synergy between worship and the value of social benefits for the ummah empowerment.

RESEARCH METHODS

The study of the cheap Qurban mechanism of blessing and reward is more abundant using the stocktaking study approach by collecting primary and secondary data. The primary data is obtained from exploring field (observation) data for the beef cattle fattening business. The observation data collected as the basis for the fattening business performance analysis were obtained from the average value of the Qurban fattening business of 26 Balinese cows in the Fapet Farm Business Unit, Faculty of Animal Husbandry, Jambi University. Secondary data is obtained from statistical information, media references and business and research reports, and related data to other Qurban cattle market
behavior. Data analysis method uses commodity market behavior analysis approach and cost-benefit analysis of sharia profit sharing investment patterns with the following formulations:

\[
\begin{align*}
VAF_{Q} &= PJ_{Q} - PB_{0} \quad (1) \\
Net_{VAF} &= VAF - F_{M} - A_{T} \quad (2) \\
\pi Q &= (\zeta PS_{Q} \times Net_{VAF}) - \omega Q \quad (3) \\
\pi M &= (\zeta PS_{M} \times Net_{VAF}) - \omega M \quad (4) \\
Q_{M} &= \frac{(PB_{0} + \pi M + F_{M})}{7} \quad (5) \\
Q_{x} &= \frac{PJQ}{7} \quad (6) \\
\epsilon Q_{M} &= \frac{Q_{x} - Q_{M}}{Q_{x}} \times 100\% \quad (7)
\end{align*}
\]

Where:
- VAF = Value added to the Qurban partnership (IDR/Head)
- Net_{VAF} = Net value-added for fattening (IDR)
- Q = Profit portion that "should" be received by Qurban participants (IDR)
- M = Share profits that "should" be received by farmers (IDR)
- Q.M. = The amount of the Qurban fee paid by the participant (IDR/person)
- Q.K. = The amount of conventional Qurban fees (IDR/person)
- \epsilon QM = The level of efficiency or savings of Qurban participants (%)
- PJQ = Price of Qurban cattle or ready to cut (IDR/head)
- PBB = The purchase price will be (IDR/head)
- FM = Fe management (IDR)
- AT = Livestock insurance paid (IDR)
- \pi = Share profit (%)
- \omega = Share costs (%)
- PSQ = Share of profit that is the right of Qurban participants (IDR)
- Q = Share costs borne by Qurban participants (IDR)
- PSM = Share profit that is the right of partner farmers (IDR)
- M = Share costs are borne by partner farmers (IDR)

RESULT AND DISCUSSION

CQSI Basic Concept

Annual domestic beef production, which is estimated to reach around 403,668 tons, has not met domestic needs that go 663,290 tons. Local breeders can only meet domestic needs, about 60.9% (Indonesian Ministry of Agriculture in Reily, 2018). Based on the Central Statistics Agency data, the supply of beef cattle and beef in the country is currently around 98% still comes from community farms with ±4.2 million household workers. The supply chain channels of cattle and beef commodities are very diverse and quite long,
involving quite a several business actors (7 - 9 business actors), where the most important business actors are slaughterers/butchers, inter-regional traders/suppliers, and inter-village gathering traders/sub-districts (Saptana and Ilham, 2017). According to Firman et al. (2018), beef supply comes from beef slaughtering. The supply component consists of slaughtered beef production in Animal Slaughtered House/Home, beef intake, stock, and beef expenditure. Supply is the sum of production, inventory in output, the number of goods imported, and the exit of goods (Kariasa, 2002).

Furthermore, according to the Ministry of Trade in Reily (2018), the average monthly demand for beef reaches 55 thousand tons. According to the Director-General of Livestock and Animal Health ahead of Eid, the beef demand is estimated at 119 thousand tons. Sharia investment models' development uses three basic concepts: market behavior and profit-sharing on cattle farming's fattening management.

Fatting beef cattle in a feedlot management system is an effort to achieve a consistent supply of quality beef that meets market needs for premium quality (Hyder, 2008). Feedlotting (also called pen fattening) involves feeding beef cattle with a protein balanced, high-energy diet for 70 to 120 days under confinement to increase live weights and improve the degree of finish and thus obtain better grades abattoir (Gororo, 2015). The basic principle of the feedlot is to grow as rapidly as possible the amount of meat produced by each animal, and the factors affecting a feedlot's profit include the price margin, feed margin, management, cost of feed, and the buying/selling price of feeders (Corteva, 2018). The feedlot is a management system where cattle are carried out naturally in a limited area that does not produce feed and animal feed supplied from other places or existing feedstock. There are four fattening systems applied: the pasture fattening system, dry lot fattening, the combination system, namely pasture, and dry lot fattening, and the more straightforward dry lot fattening system. Fattening is a livestock farming business in a specific time by buying feeder and then fed to increase the cow's body weight, and at the specified time, the cattle are sold for slaughter. In feedlot maintenance and fattening is done intensively with a specific time that has been set (for example 3, 4, 6 and 9 months) and often carried outfeed engineering to get feed with good nutritional quality but economic value, so that high cutting weight and carcass quality are good can be achieved. The advantage of applying feedlot technology to fattening is that the land needed for cultivation is relatively not as much as usual because it has been programmed with a particular ground for a certain number of livestock. Within a certain period, these animals are replaced with new feeder animals. Management of maintenance procedures is also relatively more straightforward and more uncomplicated to efficiently conduct surveillance of livestock business activities.

Capital Investment in the beef cattle business has been known as the cattle feed system with a production sharing pattern. Profit in terms is the difference that arises when a company's total revenue is greater than the total cost. In other words, profit-sharing calculates profit sharing based on the net result of total revenue after deducting the expenses incurred to obtain that
income. In Islamic banking, the term that is often used is profit and loss sharing, where this can be interpreted as the division between profit and loss from income received on the results of operations that have been made. The profit and loss sharing system in its implementation is a form of a cooperation agreement between the investor and capital managers (entrepreneurs) in carrying out economic business activities, where both of them will be bound by a contract that in the business if they get a profit will be shared by the two parties according to the ratio agreement at the beginning of the deal, and likewise if the company suffers losses will be borne together according to their respective portions. Losses for investors do not get their investment capital in full or whole, and capital managers do not earn wages/results from his efforts for the work he has done.

One of the obstacles in accelerating smallholder beef cattle development is the low access of farmers to capital resources (financing), including in the fattening business. The source of capital for beef cattle business in rural Indonesia generally comes from their own money, the results of complaints between individuals and government or private assistance programs (Widiati, 2012). The agricultural sector components, which consist of the food crops, the plantation, the livestock, and the fisheries sub-sector, are less attractive to banks in financing because they have risks, one of which is the risk of falling prices (Saptana, 2005). Sharia financing schemes, namely Salam, Istisna, Ijarah, Ijarah Mum Tahiyah Bit Tamlik, Musyarakah, Mudharabah as alternatives to farmer financing, this scheme has an excellent opportunity to be implemented because it has agricultural-based characteristics with no interest, partnerships with profit-loss sharing, and fulfillment of goods suitable for farmers (Saptana, 2015). Mudaraba is a business collaboration between two parties, where the first party or Shahibul Mall provides 100% of the capital while the other party manages it. Permata (2014) research results show that Mudharabah financing has a negative and significant effect on the ROE (return on equity) level, while Musyarakah financing has a positive and significant impact.

The development of Islamic finance in society and the emergence of various studies related to finance are based on justice. There is a division not only in terms of profits but also on losses, which are usually referred to as profit-loss sharing (Murniati, 2018). Comparison between the concept of interest and profit-loss sharing is built based on the idea of Islamic finance according to Sugema et al. (2010) states that profit-loss sharing is the only concept that provides justice for all parties. Weaknesses and strengths of the idea of profit-loss sharing that are theoretically evaluated by finding reasons for the failure of the application of this concept occurred in the process of implementation; in other words, the organizers are the only ones responsible for this failure, so it is necessary to separate the organizing agency so that it is more directed to ensure the concept of justice (Rahman et al., 2014). Islamic finance is built based on Islamic religious philosophy with the principle of justice so that in sharia-based financial practices, the economy must be far from the element of usury (Murniati, 2018). Riba is the excess collected with debt that contains aspects of persecution and oppression, not just quantity or additional money only (Central
Bank Research and Education Center, 2012). Riba is a term that is closely related to economic activities. Its prohibition is one of the main pillars of Islamic economics, besides the implementation of zakat and the ban on maisir, gharar, and vanity matters. The ideal profit-sharing calculation mechanism according to Islamic economics consists of 2 (two) types, namely profit sharing or profit-sharing where total operating income is reduced by working costs to get a profit alias net profit, and revenue sharing is profit based on total operating income before deducting expenses operating alias gross income.

Market Behavior and Analysis

One of the beef cattle market characteristics is the selling price that fluctuates throughout the year because it is highly dependent on market demand. The trend in the price of ready-to-slaughtered cattle is indicated from the development of meat prices in the market and tends to increase from year to year, but an essential factor that needs to be observed is the fluctuation of meat prices throughout the year (Novra, 2012). Beef supply will increase, and one of the contributing factors is cattle's price (Munte et al., 2014 in Yuliarno, 2017). Beef prices have increased in approaching religious holidays such as welcoming the fasting month, Eid al-Fitr, and Eid al-Adha and entering the turn of the year and other religious holidays such as Christmas and New Year. There will be a significant increase in demand for beef in these periods, which will drive up the price of meat ready for slaughter in the domestic market. General description of changes in the price of meat products and cattle ready-to-slaughter are presented in Figure 1.

Figure 1. Annual Price Fluctuation and Trend of the Beef Cattle Commodities

(Boundaries: Novra, 2012)

Beef prices reflect the price of cattle because both are going in the same direction, with the proportions of change not much different. This means that increased beef prices will encourage growth or even be caused by the rise in live cattle prices. The movement of cattle prices in the long-run has a tendency or trend that is increasing from year to year. This is strongly influenced by cattle
prices' action throughout the year (short term), although fluctuating and growing. The increase in demand at certain moments or events is mainly related to Muslim religious holidays as the Indonesian population's majority religion. The rise in demand for meat, which is a significant factor in raising beef and cattle prices, will begin at the beginning of Ramadan fasting, then stable during the implementation of fasting, and will again increase ahead of Eid.

After Eid al-Fitr, although demand starts to normal and falls again, this commodity's market price remains stable on regular days. If it experiences a decline, it is still higher than the price before Ramadan fasting and will be stable until entering the Eid al-Adha or Eid hajj or Qurban holiday. The demand for beef cattle will experience a significant increase ahead of the Eid al-Adha feast to meet the order for sacrificial animals to spur growth in beef cattle prices again. After the Hajj, demand will go down again, but prices tend to persist, and if there is a decline, there will be no significant decline and remain higher than prices in the same month the previous year. In short, it can be stated that the behavior of Muslims strongly influences the movement of demand and prices for meat and cattle in Indonesia as the majority of people in Indonesia. This could be the primary consideration that analysis to match the beef market phenomenon would be more precise and credible if it used the Hijriyah calendar, the Arabic calendar system used by Muslims consisting of 12 moon names. The Hijriyah sequence starts from the month of Muharram to the month of Dhulhijjah, namely Muharram (30 days), Safar (29 days), Early Rabbis (30 days), Late Rabbis (29 days), Early Jumadil (30 days), Jumadil End (29 days), Rajab (30 days), Sya'ban (29 days), Ramadan (30 days), Shawwal (29 days), Dhulkaidah (30 days) and Dhulhijjah (29/30 days). Using the Hijriyah calendar, the price movements of beef cattle can be seen in Figure 2.

**Figure 2. The Patterns of Price Movement for Cattle Ready to Slaughtered Based on Hijriyah Calender**

This price movement pattern is significant because it is related to beef cattle fattening business management for Qurban and other needs. Farmers and livestock entrepreneurs are familiar with this market price movement pattern.
and anticipate addressing this patterned change. The experienced fattening or fattening business actors always optimize their business added value through, are a) Increase the bodyweight of cattle during the maintenance process going to the time the cattle are ready to be slaughtered (marketed), and increasing market prices for beef cattle by buying feeder cattle when prices (demand) are low and selling cattle when prices (demand) are high.

**Model and Mechanism of the Sharia Investment**

Based on the analysis of annual market price movements and the requirements of Qurban cattle according to the Shari'a, the stages in the cheap Qurban model are 3 (three) stages, namely the collection of funds of Qurban participants, maintenance of Qurban cattle, and the registration of program participants the following year (Figure 3).

**Figure 3. Qurban Finance and Fattening Schedule**

The division of stages is based on a minimum period or Qurban cattle fattening program, which is 6 (six) months and can be longer than that period. An essential factor that needs to be considered is the fulfillment of the Shari'a, namely cattle used like animals to Qurban, who have reached the required age of Shari'ah in the form of jaza'ah that ats-tsaniy of cows are 2 (two) years old. Based on that, by using the hijriyah calendar, the stages in the cheap Qurban model are divided into the following 3 (three) steps:

1. Stages of the Qurban participant registration begin after the Qurban worship of the previous year from 15 Dhu al-Hijjah until entering the month of Muharram the following year.
2. The stages of Qurban fund collection (starting from the month of Muharram to Final Jumadil or a maximum of 5 months) from Qurban participants for the supply of feeder cattle and other costs in detail about the components and amount of fees will be explained in the calculation method. At this stage of fund-raising, the procurement process will be carried out with consideration when deduction on the day of Eid al-
Adha has reached a minimum age of 2 years. The time of purchase of supply for cattle will consider the condition of Qurban participant funds collected and the market price of feeder cattle at the time of sale. The procurement of feeder cattle must meet the requirements of the essential livestock. According to their nature, animals fulfill perfect and good characteristics with fat, lots of meat, perfect physical form, good shape, and high price (Abdullah, 2005). While what is sacrificed from sacrificial animals is the ears and tail are broken, or the ears are torn, elongated or widened, the buttocks and udder are broken or some of the two such for example putting the milk off, crazy, losing teeth (toothless) and not horned and broken horns.

3. Stages for raising cattle (fattening) for 6 (six) months or more (Final Jumadil until 10 Dhulhijjah) depends on the time of purchase of livestock.

The CQSI Financing and Benefit Distributions

The feedlot profit margin is a function of price margin, feed margin, and other expenses. Adding these three together indicates profit or loss for the period over which the calculation is made (Gororo, 2013). Price margin includes the difference between purchase/cost price and selling price resulting from beef price fluctuations and improvement in carcass quality due to feeding. The price margin is calculated as follows: Price margin = Initial live mass x (sale price/kg - cost price/kg). Specifically for Indonesia, there is a difference between the price/kg of live weight of feeder cattle and cattle ready for slaughter (Qurban) then the formula becomes: Price Margin = (Qurban live mass x Eid al-Adha market price/kg) - (Initial live mass x market price/kg). The method of calculating Qurban funds with the ummah profit sharing investment partnership uses an approach or calculation based on price margin or value added for beef cattle fattening. The stages in calculating the cost of the cheap Qurban program and its efficiency in using public funds are presented in Table 1.

The sharia approach results in a saving rate of 19.79%; the Qurban program model is cheap compared to the conventional method. This means that each participant of the program will only be charged a Qurban contribution of 80.21% of what they should have paid if using a conventional approach. The question that arises is whether this program will reduce the value of worship; the answer is "no" because the matter is only outwardly while qualitatively it will remain the same because part of the results that are entitled to participants are not taken or taken into account in determining the number of Qurban contributions. In absurd Qurban value issued remains the same as the conventional approach if the value of the results for Islamic investment is considered in determining the number of Qurban funds. Furthermore, suppose we use the reward approach without preceding the right of Allah. In that case, the Almighty can be declared more significant because it also positively impacts empowering the Ummah (farmer) and management institutions.
Table 1. Determination mechanisms of the Qurban finance and efficiency

| No | Variable                              | Symbol | Formulation | Value (IDR) |
|----|---------------------------------------|--------|-------------|-------------|
| 1  | Price of the Qurban                   | Pj     | A           | 15.050.000  |
| 2  | Price of Heifer                       | Pq     | B           | 8.100.000   |
| 3  | Cost of the Fattening (6 months)      | C      | C           | 2.085.000   |
| 6  | Share Profit of the Business          |        |             |             |
|    | a. Farmer                             | sPp    | D           | 50,00%      |
|    | b. Qurban Participant                 | sPq    | E           | 35,00%      |
|    | c. Management Fee                     | Fm     | F           | 15,00%      |
| 7  | Share Cost                            |        |             |             |
|    | a. Farmer                             | sPp    | G           | 35,00%      |
|    | b. Qurban Participant                 | sPq    | H           | 50,00%      |
| 8  | Value Added of Fattening              | VAU    | I = A - B   | 6.950.000   |
| 9  | Net Value Added                       | NVAT   | J = I - C   | 4.865.000   |
| 10 | Share of Value Added                  |        |             |             |
|    | a. Farmer                             | pP     | K = D x J   | 2.432.500   |
|    | b. Qurban Participant                 | pQ     | L = E x J   | 1.702.750   |
|    | c. Management Fee                     | Fee    | M = F x J   | 729.750     |
| 11 | Net of Value Added                    |        |             |             |
|    | a. Farmer                             | NetP   | N = K - (G x C) | 1.702.750 |
|    | b. Qurban Participant                 | NetQ   | O = L - (H x C) | 660.250   |
| 12 | Qurban Finance                        |        |             |             |
|    | a. IDR/head                           | dQT    | P = B+K+M+Ins | 12.072.250 |
|    | b. IDR/participant                    | dQP    | Q = P/7     | 1.724.607   |
|    | c. Conventional                       | dQPk   | R = A/7     | 2.150.000   |
| 13 | Efficiency                            |        |             |             |
|    | a. IDR/head                           | sQE    | S = A - P   | 2.977.750   |
|    | b. IDR/participant                    | sQP    | T = R - Q   | 425.393     |
|    | c. Presentage (%)                     | eff    | U = (T-R/R)x100% | 19,79     |

Note: Ins = Cattle Insurance (IDR 200.000/head)

Who Has a Business Opportunity in the CQSI Model

Individu in the communities naturally tends to choose joint action when there are similarities in goals to be achieved, and the uncertainty and risk faced if moving alone (Syamsuddin et al., 2007). Ummah empowerment is a shared responsibility and purpose to optimize the existing potential for community welfare. For this reason, the implementation of low-cost programs should be carried out institutionally with a collective action approach. Various studies show the role of collective action can increase community access to higher institutions when they demand public services (Mahmud, 2002) and are needed in coordinating individual activities, formulating group rules, and mobilizing...
resources in the form of funds, energy, and other materials (Knox & Meizen-Dick, 1999). Implementing the cheap Qurban model as one of the utilization of public funds for community empowerment can be done through partnerships. Partnerships can be done directly between farmers and Qurban participants or investors. It will still be more effective if coordinated or facilitated by a particular institution, both purely business and social institutions. Potential institutions that act as intermediaries or facilitators who bridge prospective Qurban participants' interests with beef cattle farmers are presented in Figure 4.

**Figure 4. Actors and Work Mechanism on the Sharia Investment Model**

The above institutional model of Qurban management shows that there are four actors or parties in cheap Qurban fund investment institutions, namely breeders as perpetrators of cultivation, Qurban participants, intermediary institutions, and communities that own Qurban meat recipient rights. In summary, each party's rights and responsibilities are farmers, Qurban recipients, urban participants, and intermediary institutions. Farmers, individuals, and groups, namely those responsible for raising feeder cattle supplied by intermediaries for fattening Qurban cattle. The compensation received by the first party is part of the results of the agreed profit-sharing system and the assistance and guidance program by the intermediary institutions. The community with the right to receive meat from slaughtering Qurban cattle can receive it directly from intermediary institutions (managers) or directly from groups of Qurban participants. Participants of Qurban are fund owners (sharia investors) who entrust their Qurban funds to be managed by intermediaries through a profit-sharing system. Compensation for their investment is the right to get Qurban animals that meet the requirements following Islamic sharia.
Cheap Qurban Syariah Investment (CQSI) Program, Empowerment and Price Stabilization

Novraa, Adriani, Depison, Octavia.

Qurban participants have two alternatives in distributing sacrificial meat: a) submitting it in full to the management institution or doing it themselves, including cutting, especially those of a group nature.

Intermediary institutions as fund managers and liaison between Qurban participants and farmers conducting aquaculture that have the responsibility to manage funds properly and perform other intermediary tasks, namely a) collecting Qurban participant investment funds, b) procuring supply of feeder cattle, c) conducting supervision and supervision of breeders including technical services and cultivation technology, d) guaranteeing the availability of ready-to-slaughtered cows that are sharia compliant for Qurban participants, and e) providing additional benefits in the form of slaughtering and distributing Qurban animal meat to those entitled to. Compensation for all these services, this institution has the right to receive compensation in the form of management fees from Qurban participants, calculated from a certain proportion based on calculating the fattening value-added. Management fees received by institutions are used for agency operations and services, including livestock insurance, to minimize economic loss due to livestock deaths. I was referring to the Ministry of Agriculture's policy which has appointed Indonesia Service Insurance Ltd. (PT. Jasindo) as the manager of livestock insurance with a coverage value of IDR 10-15 million with a yearly premium of 2-2.5%/head and with government subsidies of a dividend of IDR 200,000/year the government bear 80% subsidy (IDR 160,000) and the remaining IDR 40,000 borne by livestock owners.

The CQSI Models, Market Efficiency and Corruption Eradication

In the economic aspect, Qurban worship becomes one of the critical events and ensures the interaction of economic actors (Rukmi, 2019). This means that the rich will demand animals Qurban; this demand will undoubtedly create a supply of sacrificial animals. The livestock sector will always have its market even though. During this time, fluctuations and the trend of rising cattle prices due to demand encouragement ahead of religious holidays such as Eid al-Adha are not enjoyed by farmers. Still, they are more profitable for traders (Novra, 2019). Several factors affect prices offered for feeder calves, including weight, sex, time of year marketed, lot size, price of corn, hide the color, and an array of management-related factors (Halfman, 2009). Feedlot managers need to keep a close watch on feedlot profit, a compassionate measure of management efficiency.

The increase in the price of Qurban cattle during and before the Eid al-Adha holiday is caused by the rise in demand and psychological factors. Psychological factors are used by certain parties to speculate about obtaining more significant marketing margins so that the price increases that occur are more significant than they are (Figure 5).
A speculation is an investment approach in which the investor aims to buy or sell stocks, currencies, or other assets solely to make a quick profit (MBN, 2019). In such cases, the investor is known as a speculator. It is an investment attitude that many people despise. The speculator's motive is to take maximum advantage of market fluctuations. A speculator pays little attention to the fundamental value of an asset and focuses entirely on price movements. Livestock traders in Indonesia fully understand Qurban cattle consumers' behavior and utilize this consumer psychology to influence market prices. Most of the action of Qurban participants making purchases on days approaching the Eid al-Adha feast is used by traders to set high selling prices. This consumer behavior is understandable because early procurement or purchase requires resources (animal housing and infrastructure, costs, and labor) for raising Qurban cattle until the time of slaughter. The high demand and competition to get Qurban cattle to increase the Qurban participants' anxiety or committee not getting cattle according to specified conditions. Rent-seeking traders exploit this condition to play the selling price of Qurban cattle by offering high prices. The reason for worship is often a consideration of consumers to continue to buy even at high prices. In summary, the uncertainty created deliberately on the supply side is used as a venue for traders' speculation to obtain more significant profit margins.

The question that arises is whether this price increase is transformed to breeders of beef cattle, both breeding and fattening. Not breeders, because young cattle are bought from them when prices and demand are low. For fattening cattle farmers, it looks as if it is profitable but provides an artificial profit margin. The following analysis (Figure 6) can explain how exactly the price increase was not enjoyed by the community cattle fattening business.
Figure 6. Impact Of Price Increase On The Profit Margin Of The Small Cattle Fattening

The increase in the price of feeder cattle goes hand in hand with the rise in the price of Qurban cattle so that the repurchase of cattle going to the next fattening period by farmers will be higher. The calculation or analysis of benefit costs has often been carried out for the same period. The fattening business's profit margin is the difference between the selling price and the heifer price after being reduced by other operating costs. The method of calculating profit margins in this period seems as though the level of profits obtained by fattening cattle ranchers is relatively large (a - e). The profit margin is false because if the analysis is carried out between periods, farmers' actual profit margin is smaller (a - d). After the first period and entering the next period, breeders must buy young bulls at a higher price because they follow the rising costs of cattle ready for slaughter. This condition takes place continuously every period (year), and speculator traders only enjoy the increase in commodity prices for cattle. Costs that tend to rise always and the inability of domestic supply to respond to increasing demand causes the national and world market price gaps to widen. Business people prefer to invest in foreign trade as importers. For every kilogram, excellent profit margins become seized by renters so that some policymakers use import and quota licensing as a business field for personal and group benefits. Several corruption cases became clear evidence that import quotas' struggle became a collusion arena between state officials and importers.

Over the past couple of years, there have been many corruption cases (or the suspicion of unethical behavior) related to import quotas set by the Indonesian government for specific food products (IIR, 2016). Indonesia's central government allows (controlled) imports through a quota system in these particular food commodities. Imports are required as domestic demand cannot be met due to insufficient local supplies in Indonesia. It usually involves seven food commodities: rice, corn, soy, beef, chilies, sugar, and onions, all crucial to the Indonesian people's diet. In this quota system, a local Indonesian company or several local companies are appointed as importers for these food
commodities. The suspicion that parties want to keep the beef cattle commodity market like this is reasonable.

**How the CQSI Program can be Found the Price Stabilization**

The Islamic investment model has potential as a way to achieve price stabilization. Changes in market behavior, especially consumers, and the certainty of fattening cattle business at-home scale, and narrowing the space for renters are expected to improve the investment and business climate. How Islamic investment models can encourage the creation of price stabilization can be seen in Figure 7.

**Figure 7. Commodity Price Stabilization Mechanism**

If the demand for cattle during the Eid al-Adha feast can be spread evenly to other months, excessive price increases can be suppressed. There will be an increase in demand for young bulls for fattening in the initial stages but will not cause market shock and excessive price increases. Increased demand will be spread over several months from Safar to Jumadil Akhir (deadline for procuring fattening cattle). Intermediary institutions can anticipate the distribution of demand and supply prices for young bulls to set the bid price for Qurban cattle in stages. Purchasing the supply of seedlings in other months will cause differences in fattening, which has implications for operational costs, weight gain, and value-added.

Simultaneously, the marketing chain can be streamlined directly between cattle farmers and Qurban participants through the facilitation of intermediary institutions. The cattle ranchers will get market certainty from fattening results, and Qurban participants get the confidence to get cattle ready for slaughter that meets the requirements. There will be no more opportunities for speculators to take advantage of a market shock to obtain excessive marketing margins. Stable prices will positively impact people's beef cattle industry because investment requires a stable market. Business planning can be better structured and implemented according to predetermined targets.
CONCLUSION

The sharia investment model of the cheap Qurban program on the microeconomic aspect will benefit the parties involved. Cattle farmers have the opportunity to explore public investment, the certainty of output markets, and higher accepted price levels. Participants of Qurban, besides paying lower prices, also get the assurance of Qurban cattle according to the requirements and participate in the ummah's empowerment (cattle ranchers). Intermediary institutions and obtaining management fees from their facilitation services can also play a role in developing technology for the people and empowering public funds. In the macroeconomic aspect, if this model can be widely applied in the long-run, it will help the government stabilize commodity prices, encourage investment as part of efforts to increase domestic production, and combat the trade mafia (rent-seeking) in domestic and import trade.

REFERENCES

Abdullah (2005). Requirements for animals Qurban, Qurban fiqh and aqiqah. Al-Manhaj. https://almanhaj.or.id/1711-syarat-syarat-hewan-kurban.html

Amran H. (2011). Qurban and social change (article). http://www.dakwatuna.com/2011/10/31/16058/Qurban-dan-perubahan- sosial/#ixzz5s47PJoCa.

Aplunggi T., O.H. Nono, A. Keban (2017). Cost-Revenue analysis based on the business scale at beef cattle fattening in Amarasi District, Regency of Kupang. Animal Nucleus Journal 4(2): 110-120. https://ejurnal.undana.ac.id/nucleus/article/view/820

Cahyani, I. F. (2008). Surely Allah will not change people's fate, except the people themselves who change what is in themselves. https://slydut.wordpress.com/2008/01/30/sesungguhnya-allah-tidak-akan-mengubah-nasib-suatu-kaum-kecuali-kaum-itu-sendiri-yang-mengubah-apa-apa-yang-pada/.

Central Bank Research and Education (2012). Codification of Bank Indonesia regulation - liability and capital implementation of sharia principles in funds collection and distribution activities and sharia services, Sharia Bank Products, and Sharia Business Units. Bank, Indonesia, Indonesia. www.bi.go.id/id/peraturan/kodifikasi/bank/Documents/a3ce.

Corteva (2018). Growing out and fattening cattle in a feedlot. Corteva Agriscience. https://www.farmersweekly.co.za/farm-basics/growing-fattening-cattle-feedlot/.

Firman, A.M. M Sulaeman, L. Herlina, dan M. Sulistyati (2018). Analysis of balance supply and demand of cattle and beef cattle in West Java. MIMBAR AGRIHISNI Jurnal Pemikiran Masyarakat Ilmiah Berwawasan Agribisnis. 4(2): 98-108. https://dx.doi.org/10.25157/ma.v4i2.1122
Cheap Qurban Syariah Investment (CQSI) Program, Empowerment and Price Stabilization

Novraa, Adriani, Depison, Octavia.

Gororo, E. (2013). Cattle Finishing in the Feedlot. The literature review. Available: file:///C:/Users/User/Downloads/BeefCattleFinishingintheFeedlot.pdf

Halfman, B., J.W. Lehmkuhler & T. Cox (2009). Factors are affecting Wisconsin feeder calf prices at a local livestock market. Journal of Extension 47(6): 1-8. https://joe.org/joe/2009december/pdf/JOE_v47_6rb7.pdf.

Hyder, K. (2008). Beef feedlot management guide. An Inma Agribusiness Program Publication Series. U.S. Agency for International Development (USAID) by the Louis Berger Group, Inc, 2008. https://pdf.usaid.gov/pdf_docs/PNADR842.pdf

IIR (Indonesia Investment Report) (2016). Corruption in Indonesia: Should food import quotas be scrapped?. https://www.indonesia-investments.com/news/todays-headlines/corruption-in-indonesia-should-food-import-quotas-be-scrapped/item7202.

Karina, A. R.H. Ismono, & A. Nugraha (2015). The cost production determination of cattle fattening: A case study on cattle fattening owned by Kastamar in Terbanggi Besar of Central Lampung Regency). Journal of Agribusiness Science 3(3): 277-286. http://dx.doi.org/10.23960/jiia.v3i3.%25p

Kitabisa.com. (2019). The estimated price of Qurban Cattle for August 2019 in Indonesia. https://blog.kitabisa.com/perkiraan-harga-sapi-Qurban-agustus-2019-di-Indonesia/

Knox, A & R. S. Meinzen-Dick (2000). Collective action, property rights, and devolution of natural resource management: exchange of knowledge and implications for policy,” CAPRi working papers 11, International Food Policy Research Institute (IFPRI). https://ideas.repec.org/p/fpr/worpps/11.html

Lestari R.D, L.M. Baga, % R. Nurmalina (2017). Competitiveness of cattle are fattening in small scale business in Bojonegoro District, East Java. Bulletin of Animal Science 41(1): 101 - 112. http://dx.doi.org/10.21059/buletin_perternak.v4i11.16906

Mahmud, S. 2002. Making rights real in Bangladesh through collective citizen action. IDS Bulletin 33 (2) 1i-12. http://dx.doi.org/10.1111/j.1759-5436.2002.tb00026.x

MBN (Market Business News) (2019). What is speculation? Definition and meaning. https://marketbusinessnews.com/financialglossary/speculation-definition-meaning/,
Murniati W. (2018). Investment addition simulation on the Musyarakah sharia investment model to profit calculation, Journal of Mathematics Education, Science and Technology: 3 (2): 223 – 239. http://journal.um-surabaya.ac.id/index.php/matematika/article/view/2229

Nasution Z. (2016). Sharia financing model for the agricultural sector. Iqtishadia Jurnal Ekonomi dan Perbankan Syariah 3(2): 324-343. https://journal.trunojoyo.ac.id/dinar/article/view/2701

Novra, A. (2012). Analysis of the feasibility of oil palm and cattle integration. Feasibility Study Report of the P.T. Perkebunan Nusantara VI (PTPN), Jambi. https://repository.unja.ac.id/7743/

Novra, A. (2019). Cheap Qurban sharia investment model, ummah empowerment, and beef cattle commodity price stabilization. Indonesian Muslim Lecture Proceeding "Revitalizing the Role of Academics for Improving the Quality of Life of the Community" 1 (1): 19-30.

Permata R. I. D. (2014). Analysis of the influence of Mudharabah and Musyarakah financing on the level of profitability (Return on Equity): Study on Sharia Commercial Banks Registered in Bank Indonesia from 2009 to 2012). Jurnal Administrasi Bisnis (JAB) 12(1): 1 - 9. http://administrasibisnis.studentjournal.ub.ac.id/index.php/jab/article/viewFile/486/683

Rahman A., A. Latif, R., Muda, & M. A, Abdullah (2014). Failure and potential of profit-loss sharing contracts: A perspective of New Institutional Economics (NIE) theory. Pacific-Basin Finance Journal, 28: 136–151. https://www.sciencedirect.com/science/article/PII/S0927538X1400016X

Reily, 2018. Kemendag Terbitkan Izin Impor 36 Ribu Ton Daging Sapi: https://katadata.co.id/ekarina/berita/5e9a5603350ba/kemendag-terbitkan-izin-impor-36-ribu-ton-daging-sapi.

Rukmi (2019). Qurban, capitalization or economic?. Department of Islamic Economic, University of DarusSalam Gontor. http://ei.unida.gontor.ac.id/kapitalisasi-atau-ekonomika-Qurban/.

Saptana, A (2005). Sharia financing prospects for agriculture sector. Forum Penelitian Agro Ekonomi Pusat Sosial Ekonomi dan Kebijakan Pertanian. 23(2): 132-147. http://dx.doi.org/10.21082/fae.v23n2.2005.132-147

Saptana (2015). Macro-Micro Marketing Conceptual Review and Its Implication for Agricultural Development. Forum Penelitian Agro Ekonomi Pusat Sosial Ekonomi dan Kebijakan Pertanian 33(2): 127-148. http://dx.doi.org/10.21082/fae.v23n2.2005.132-147

Saptana & N. Ilham (2017). Supply chain management of cattle and beef commodities. Analisis Kebijakan Pertanian 15(1): 83-98. http://dx.doi.org/10.21082/akp.v15n1.2017.83-98
Sitanggang, N. (2017). Beef cattle insurance. Online agribusiness: livestock info. https://agribisnis.co.id/asuransi-sapi-pedaging/, October, 16th, 2017.

Sugema I., T. Bakhtiar & J. Effendi, (2010). Interest versus profit-loss sharing credit contract: efficiency and welfare implications. International Research Journal of Finance and Economics, 45 (2), 58–67. https://intercafe.ipb.ac.id/wp-content/uploads/2010/11/irjfe_45_05.pdf

Syamsuddin, Neldysavrino, Komarudin, H., & Y. Siagian (2007). Are community aspirations being accommodated in development plans? A lesson from collective action in Jambi. CIFOR Governance Brief No. 34. Bogor, Indonesia. https://core.ac.uk/display/132639546

Yuliarno A.A. (2017). Analisis penawaran daging sapi potong di Indonesia. Skripsi Fakultas Pertanian Peternakan Universitas Muhammadiyah Malang (Unpublished).

Widiati R. (2012). Financial feasibility of beef cattle breeding business with various capital assistance in rural Gunung Kidul District, Yogyakarta. Animal Bulletin 36(2): 122 - 128. http://dx.doi.org/10.21059/buletinpeternak.v36i2