

Market Pricing System of Certified Food Seeds in Aceh According to the Concept of Tsaman

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Abstract

This study aims to analyse the market mechanism of certified food crop seeds, particularly rice seeds, in Aceh Besar Regency. It also evaluates the pricing system through the concept of *tsaman* within the framework of Islamic economics and based on the Regulation of the Minister of Agriculture of the Republic of Indonesia Number 12 of 2018 concerning the production, certification, and distribution of seeds. The background of this study is motivated by the phenomenon of certified seed prices that tend to be high, yet lack transparency and a clear pricing basis, resulting in injustice for farmers, especially those from low-income groups. This research employs a descriptive qualitative approach, utilizing primary data collected through in-depth interviews with representatives from Aceh UPTD BPSBTPHP, farmers, and agricultural input suppliers, as well as secondary data from relevant literature and regulatory documents. The findings reveal that the absence of explicit pricing provisions in MOA No. 12/2018, along with limited dissemination, results in non-transparent pricing that is difficult for farmers to access. From the perspective of *tsaman*, this condition does not reflect the principles of fairness, openness, and price appropriateness. Consequently, some farmers prefer to use uncertified seeds obtained through mutual exchange among fellow farmers. This study recommends a pricing policy that is transparent, adaptive to market conditions, and aligned with

Sharia principles to support the development of a healthy, fair, and sustainable seed market system.

KEYWORDS: Certified seed, Islamic Law, MOA No. 12/2018, *tsaman* concept.

Introduction

Tsaman is conceptually interpreted as the price of an object in sale and purchase transactions. In various reference books, *tsaman* is identical to the selling value of merchandise in the market mechanism.¹ Price occurs when humans interact with each other to create a balance between supply and demand, which is facilitated through the process of buying and selling. In a sale and purchase transaction, *tsaman* becomes a consideration for the parties to negotiate to reach a price level agreed upon by the seller and the buyer; therefore, *tsaman* becomes an important part of buying and selling. The buyer offers a price that he can afford or is considered relevant to the market mechanism, as a reasonable price that provides a price balance with the value of the goods he buys, without government intervention.²

If the price offered is reasonable and follows market mechanisms and applicable rules, a market mechanism will be created with price justice.³ However, if the price offered contains fraud, false information, and market engineering, then price injustice occurs. Prices are influenced by the balance of demand and supply between sellers and buyers. Sellers offer goods/services, while buyers provide demand for the goods/services purchased. The exchange between the values owned by both is a price balance in a perfect market.⁴

According to Veithzal Rivai Zainal, in Islamic macroeconomics, Ibn Taymiyyah explained the concept of *tsaman* through an approach sourced from the hadith of the Prophet Muhammad SAW narrated by Anas ra. explained that when prices suddenly rose in Medina, the Prophet refused to

¹Syamsul Hilal, "Konsep Harga Dalam Ekonomi Islam (Telah Pemikiran Ibn Taimiyah)," *Asas* 6, no. 2 (2014): 16–28.

²Aulia Rahmatullah and Chairul Fahmi Fahmi, "Legal Protection for Customers in Online Loans According to Sharia Economic Law," *Al-Mudharabah: Jurnal Ekonomi Dan Keuangan Syariah* 5, no. 1 (2024): 1–20.

³Imama Zuchroh, "Prinsip Keadilan Ekonomi Dalam Prespektif Islam Dan Implementasinya," *Jurnal Education and Development* 12, no. 2 (2024): 135–39.

⁴Chairul Fahmi et al., "The State's Business Upon Indigenous Land in Indonesia: A Legacy from Dutch Colonial Regime to Modern Indonesian State," *Samarah: Jurnal Hukum Keluarga Dan Hukum Islam* 8, no. 3 (2024): 3, <https://doi.org/10.22373/sjhk.v8i3.19992>.

set a price policy. Still, the Prophet frequently conducted inspections to verify prices and market mechanisms, as well as to expose dishonest business practices.⁵

In Islamic economics, a fair price (equilibrium price) is a price that does not cause losses to both parties in the transaction, both producers and consumers. If prices are too low, producers are unable to cover their production costs, leading to inequality and injustice. Conversely, if the price is too high, it will reduce the purchasing power of consumers. Therefore, a price that is considered fair can cover all production costs, provide reasonable profits for producers, while still being affordable for consumers. This pricing is based on the principle of justice in the distribution of information and the willingness of both parties to the transaction, in accordance with the values emphasized in Islamic economics.⁶

The ability of the product to provide the best quality to the wearer will strengthen the product's position on the consumer side. Consumers will undoubtedly consider the quality of the product and expect the price to match the quality they are purchasing. Price is an essential factor influencing customer purchasing decisions; determining the price of products by producers greatly influences customer decisions. According to Windoyo in Antyadika, product quality is vital because it determines satisfaction in achieving the wants and needs of a product in buying and selling.⁷

There are four main approaches to pricing: cost-based, demand-based, competitor-based, and a combination of the three. One method that is commonly used in practice is cost-plus pricing. In this method, the selling price is calculated by summing up all components of production costs and then adding a markup that is considered reasonable. The advantage of this method lies in its ease of implementation, as the seller does not need to account for fluctuations in market demand in detail. However, this approach has the disadvantage of being less responsive to demand dynamics and market conditions. In practice, factors such as macroeconomic conditions, competitive intensity, operational costs, demand estimation, and the degree

⁵Dkk veithzal Rival, Zainal, *Ekonomi Mikro Islam*, Cet.1, ed. Retno Ayu Kusumaningtyas (Bumi Aksara, 2018), 332.

⁶Fitra Analia et al., "Mekanisme Penetapan Harga Yang Adil Dalam Ekonomi: Syariah Fair Pricing Mechanism In Sharia Economy," *JEPAA: Journal of Economic, Public, and Accounting* 5, no. 2 (2023): 154–63.

⁷Arfianti Novita Anwar and Endera Endera, "Analisis Pengaruh Faktor Kualitas Produk Dan Harga Terhadap Kepuasan Konsumen Atas Produk Excavator PT. Daya Kobelco Contruction Machinery Indonesia Di Riau," *Procuratio: Jurnal Ilmiah Manajemen* 5, no. 1 (2017): 58–71.

of price elasticity continue to be important variables that influence pricing decisions. Price adjustments can be implemented through various strategies such as discounting, special incentives (allowances), and price differences based on geographic location.⁸

Agriculture is a strategic sector in national development, playing a crucial role in maintaining food security, generating employment opportunities, and enhancing the welfare of communities, particularly in rural areas. In the process of cultivating food crops, seeds are one of the most vital components. Quality and certified food seeds, especially rice, not only guarantee the quality of the harvest but also affect the productivity and efficiency of farming. Therefore, the availability of certified rice seeds that are both affordable and easily accessible to farmers is a crucial indicator of the success of the national agricultural system.⁹

In practice, the distribution and circulation of certified seeds still face various challenges, particularly in relation to market mechanisms and pricing systems. In Aceh Besar, accredited seeds are often considered expensive by farmers, difficult to obtain when needed, and their pricing is not transparent. Farmers, as the most vulnerable party, are frequently unaware of how seed prices are determined, who sets them, and what the basis or reference point is. This situation leads to information inequality and injustice in the seed transaction system. Aceh Besar, as one of the rice production centers in Aceh Province, experiences these problems. Based on interviews and field observations, seed prices vary between regions and among retailers, depending on the distributor's price and the seller's profit margin. There is no fixed price standard or official reference price known to farmers. Farmers have little room to negotiate seed prices and generally only purchase based on the needs of the planting season and the available stocks in the field.

This condition indicates a structural imbalance in the seed market that has the potential to harm farmers as end consumers. A pricing system that tends to be free without intervention opens up space for unfair pricing practices, particularly if the distributor or supplier monopolizes price information. In this case, strengthening the principles of fairness and transparency in determining seed prices is crucial to be realized, so that seeds are not only available but also reasonably affordable.

⁸Verina H. Secapramana, "Model Dalam Strategi Penetapan Harga," *Ubaya* 9, no. 1 (2020): 30–43.

⁹Lukita Sari et al., "Analisis Uji Benih Tanaman Pangan Bermutu Secara Fisik," *Prosiding Seminar Nasional Hukum, Bisnis, Sains Dan Teknologi* 3, no. 1 (2023): 548–53.

In the context of regulation, the government has issued Regulation of the Minister of Agriculture of the Republic of Indonesia Number 12 of 2018 on April 27, 2018, which has been applied in Aceh Besar since the enactment of the regulation on the Production, Certification, Distribution, and Supervision of Plant Seeds. This regulation emphasizes the importance of seed quality and regularity in the circulation process. However, the price control aspect has not been the primary focus of the policy. The supervision conducted by the agriculture office emphasizes the legality of seed certification in circulation, not the price system. As a result, in practice, the price of certified seeds is left entirely to market mechanisms, without any protection for farmers as end-users.¹⁰

So far, research on concepts in Islamic economics, such as *tsaman*, has rarely been used as a basis for evaluating the price system of agricultural commodities. Literature that discusses seed market mechanisms primarily focuses on the technical aspects of agriculture, production, certification, and distribution logistics.¹¹ Previous studies have not extensively explored aspects of price ethics or market justice based on Islamic principles, despite the agricultural sector in Indonesia, particularly in Aceh, having strong ties to sharia values. This research tries to fill the void by examining the market mechanism of certified food seeds and its pricing system in Aceh Besar District through two approaches: (1) a normative approach based on MOA No. 12/2018, and (2) an Islamic conceptual approach based on the concept of *tsaman*. Focusing on the three main sub-districts of Kuta Baro, Blang Bintang, and Montasik, this research aims to gain a deeper understanding of how the food seed market is organized and operated, as well as how prices are determined in the field.

Based on this background, this research prompts the author to examine how the food seed market mechanism is based on formal regulations and actual practices, focusing on price fairness using the principle of *tsaman* in Islamic economics, to provide recommendations for improving seed pricing policies to be more fair, transparent, and in line with Sharia values. Thus, to fill the gaps of previous studies, this research aims to answer three questions: (1) How is the market mechanism of certified food seeds in Aceh Besar

¹⁰*Permentan Nomor 12 Tahun 2018*, n.d.

¹¹Hernimus Ratu Udju Septian Haryanto Muhammad Saleh, Rafael R. Tupen, "Pelaksanaan Kewenangan UPT Pengawas Dan Sertifikasi Benih Provinsi Nusa Tenggara Timur Terhadap Benih Bina Dan Hortikultura Ditinjau Dari Peraturan Menteri Nomor 12 Tahun 2018 Tentang Produksi, Sertifikasi Dan Peredaran Benih Bi TANAMAN," *Petitum Law Journal* 1, no. 1 (2023): 269–77, <https://doi.org/10.35508/pelana.v1i1.13537>.

District? (2) How is the food seed pricing system practiced in the field and regulated under MOA No. 12/2018? (3) How is the seed price analyzed according to the tsaman principle in Islamic economics?

Data and Methods

This research employs a descriptive qualitative approach with a case study method, focusing on three sub-districts of rice farming centers in Aceh Besar District: Kuta Baro, Blang Bintang, and Montasik Sub-districts. This approach aims to gain an in-depth understanding of the certified food seed market mechanism and its pricing system, not through statistical figures, but by examining the meanings, experiences, and perceptions of market actors. The research subjects consisted of farmers, input business actors (seed sellers/distributors), and UPTD of the Food and Horticultural Plant Seed Supervision and Certification Center (BPSBTPH) of Aceh Province.

Data collection techniques included in-depth interviews with open-ended question guides, field observations, and document reviews.¹² Interviews were conducted with farmers, distributors, and related UPT parties to explore their distribution practices, pricing strategies, and understanding of price regulations and Islamic principles.¹³ In addition, a normative-conceptual approach was used to analyze price regulations based on MOA No. 12/2018 and the principle of justice in the concept of tsaman in Islamic economics. Documents reviewed include: official regulations, distributor price records, seed certification documents, and Islamic economic literature. This approach allows for an analysis that is not only descriptive but also critical and reflective of the seed distribution challenges and price inequities faced by smallholder farmers.¹⁴

¹² Muhammad Siddiq Armia, *PENENTUAN METODE & PENDEKATAN PENELITIAN HUKUM*, ed. Chairul Fahmi (Lembaga Kajian Konstitusi Indonesia, 2022).

¹³ Muhammad Rijal Fadli, "Memahami Desain Metode Penelitian Kualitatif," *Humanika* 21, no. 1 (2021): 33–54, <https://doi.org/10.21831/hum.v21i1.38075>.

¹⁴ Zulfadli Barus, "Analisis Filosofis Tentang Peta Konseptual Penelitian Hukum Normatif Dan Penelitian Hukum Sosiologis," *Jurnal Dinamika Hukum* 13, no. 2 (2013): 307–18.

The Market for Certified Food Seeds in Aceh Besar

Food crop seeds are planting materials in the form of seeds, tubers, or other vegetative parts used to produce food crops, such as rice, corn, soybeans, peanuts, green beans, yams, taro, sorghum, and wheat. Among these commodities, rice is the primary focus in the government's efforts to increase national rice production.¹⁵ One of the strategic steps taken is the use of certified rice seeds, which are seeds from specific superior varieties that have undergone a testing process and production under the supervision of the system and official certification standards. The certification process encompasses the stages of purity testing, growing power, and technical inspection, from propagation to distribution. Although certified seeds are believed to increase yields and productivity, the reality in the field is that their utilization is still not optimal. Several studies have shown that the use of certified seeds does not always lead to higher productivity than non-certified seeds, especially when inadequate maintenance is provided or when distribution is uneven. This condition indicates that the certified rice seed market, particularly in areas such as Aceh Besar District, still faces challenges in terms of implementation, farmers' perceptions, and effectiveness in enhancing farmers' overall welfare.¹⁶

This study was conducted in three sub-districts that are the center of rice farming in Aceh Besar District, namely Kuta Baro, Blang Bintang, and Montasik sub-districts. The research data were obtained through interviews with various parties directly involved in the food seed distribution chain, including farmers, production facilities, business actors, and the Technical Implementation Unit of the Food Plant and Horticulture Seed Monitoring and Certification Center (UPTD BPSBTPH) of Aceh Province.

The market system for certified food seeds in Aceh Besar follows a tiered distribution pattern. The distribution chain begins with the seed producer, which in this context can be a Seed Source Production Unit (SSPU), a local seed breeder, or a private seed company. Then, the seeds will be distributed through the leading distributor before being distributed to

¹⁵ Chairul Fahmi, "The Impact of Regulation on Islamic Financial Institutions Toward the Monopolistic Practices in the Banking Industrial in Aceh, Indonesia," *Jurnal Ilmiah Peuradeun* 11, no. 2 (2023): 2, <https://doi.org/10.26811/peuradeun.v11i2.923>.

¹⁶ Adil Fadillah et al., "Pengaruh Penggunaan Benih Padi Bersertifikat Terhadap Efisiensi Usahatani," *Scientific Repository*, 2022.

saprodi or retailers at the sub-district level.¹⁷ Finally, the seeds are received by farmers, who are the ultimate consumers. This distribution is designed to increase access to and the physical and economic affordability of food. Generally, the market should handle distribution, but government intervention is still necessary to ensure basic and strategic food supplies. Food reserve management and price policies are employed to address issues related to food distribution.¹⁸

One significant finding of this study is the absence of a standardized pricing system at the retailer level.¹⁹ Agri-businesses determine seed prices based on the prices provided by the leading distributor and then add their profit margin, with no limit on the highest retail price. There is no official price or price reference that is publicly announced to farmers. There are variations in seed prices across different regions, although the price differences are generally not substantial. Seed prices tend to be fixed, but farmers usually do not understand the basis or elements that make up the price. As a result, farmers are often at a disadvantage in market transactions.

According to the authors' overall assessment, this study reveals that the market for certified food seeds in Aceh Besar is not yet fully effective or fair. The oligopolistic market structure, limited access, low price transparency, and farmers' dependence on local inputs are the main problems in the seed market system in this area. This situation requires serious attention from the local government and relevant institutions to create a more transparent, clear, and fair seed market system.

Pricing System for Certified Food Seeds according to the Concept of *Tsaman* in Islamic Economics

From the perspective of Islamic economics, the price of a traded item must be determined fairly and transparently, as explained in the concept of

¹⁷Menurut KBBI VI *Daring Saprodi Merupakan Singkatan Dari Sarana Produksi Pertanian (Sarana Yang Umumnya Meliputi Alat-Alat Pertanian) Yang Menjual Alat Dan Bahan Pertanian* (Badan Pengembangan dan Pembinaan Bahasa, n.d.).

¹⁸Achmad Suryana, "Menelisik Ketahanan Pangan, Kebijakan Pangan, Dan Swasembada Beras," *Pengembangan Inovasi Pertanian* 1, no. 1 (2008): 1–16.

¹⁹ Chairul Fahmi and Wira Afrina, "ANALYSIS OF LEGAL ASPECTS ON DEBT TRANSFER FROM CONVENTIONAL BANK TO SHARIA BANK POST THE APPLICATION OF QANUN ACEH NO. 11 OF 2018," *Al-Mudharabah: Jurnal Ekonomi Dan Keuangan Syariah* 4, no. 1 (2023): 1.

tsaman.²⁰ Prices in buying and selling must fulfill several main principles, namely (1) *tsaman haqiqi* real price based on production costs and quality, (2) *tsaman urfi* fair market price prevailing in the market, and (3) *tsaman mutsamma* (price agreed upon voluntarily in the contract). The role of the market is crucial in shaping a healthy economic structure, provided that the principle of free competition can operate without obstacles. An efficient market can only be realized if the supply and demand mechanism operates fairly, thereby producing a balanced price that accurately reflects the real value of the goods or services being traded. A healthy market mechanism also implies that prices are not determined unilaterally by dominant actors, including the state acting in a monopolistic manner.²¹

As a historical example, the Prophet once rejected the people of Medina's request to set prices during a price spike, arguing that it is Allah who sets prices, provides sustenance, and creates spaciousness or narrowness. This attitude highlights the importance of maintaining free market principles in Islam. However, his rejection of price intervention has led to a long-standing discourse among scholars, especially in the modern context, where government intervention in the economy is often considered necessary to maintain social justice and price stability. In Indonesia itself, state intervention in the pricing of certain goods is not unusual, given the existence of regulations aimed at protecting consumers and small producers.²²

Based on field findings, the price of certified seeds in Aceh Besar tends not to fulfill the principle of *tsaman* optimally. Seed prices lack transparency, as farmers are unaware of the details of the price components. There is no open agreement in price transactions; farmers are in a weak position and only accept prices set unilaterally by distributors and sellers. In addition, seed prices do not fully reflect *tsaman urfi* because there is no official reference price that is widely socialized. Meanwhile, in terms of *tsaman haqiqi*, seed

²⁰Syamsul Effendi, "Penetapan Harga Dalam Perspektif Ekonomi Islam," *MUTLAQAH: Jurnal Kajian Ekonomi Syariah* 1, no. 2 (2021): 26–35.

²¹Fahmi, "The Impact of Regulation on Islamic Financial Institutions Toward the Monopolistic Practices in the Banking Industrial in Aceh, Indonesia."

²²Parman Komarudin and Muhammad Rifqi Hidayat, "Penetapan Harga Oleh Negara Dalam Perspektif Fikih," *Al Iqtishadiyah Jurnal Ekonomi Syariah Dan Hukum Ekonomi Syariah* 3, no. 1 (2017): 1, <https://doi.org/10.31602/iqt.v3i1.1004>.

prices do take into account the costs of production and distribution, but still feel burdensome for farmers, especially those with low incomes.²³

This situation also highlights the element of *gharar* (uncertainty) in seed transactions at the farm level, as well as the potential for *ikrah* (economic coercion), given that farmers have no other alternative. In the long run, such price inequity could hamper farmers' welfare and reduce their interest in using certified seeds. The current price of certified seeds often fails to meet the ideal principles of *tsaman urfi* or *tsaman haqiqi*.

Farmers claim not to know the basis for pricing and feel that seed prices are relatively expensive, especially when compared to the yields obtained, considering that even certified seeds still require additional costs for maintenance to optimize yields. The absence of a price bargaining mechanism between farmers and sellers highlights the weak bargaining position of farmers in the transaction, which contradicts the principles of the sale and purchase contract in Islam, which emphasize justice and mutual willingness. The lack of price transparency and the monopolization of information by distributors or retailers also violates the Sharia principle that prohibits *gharar* (uncertainty) in muamalah. Thus, in terms of Islamic economics, the prevailing price system is still far from the concept of a fair price (*tsaman*) as idealized in fiqh muamalah.²⁴

Aceh Besar is aware that seed prices are determined by several key factors, including seed production costs, certification costs, distribution costs, and profit margins at each distribution level. However, there is no official price standard that is used as a reference by all market actors. The price of certified seeds in Aceh Besar varies between subdistricts, although the differences are not very noticeable. Prices typically remain within the same range every planting season, fluctuating between Rp 5,000 and Rp 10,000 across all rice classes, as indicated on the label. Pricing generally follows the price of the leading distributor, with a margin added by the local seller.

The main problem that arises is the lack of price transparency at the farm level. Farmers only receive and understand the final price of the input without a detailed explanation of the price components. Farmers also have no room to bargain, as the certified seed market at the local level tends to be

²³ Fahmi and Afrina, "ANALYSIS OF LEGAL ASPECTS ON DEBT TRANSFER FROM CONVENTIONAL BANK TO SHARIA BANK POST THE APPLICATION OF QANUN ACEH NO. 11 OF 2018."

²⁴"Hasil Wawancara," n.d. 2025.

oligopolistic, with only a few players controlling the supply. This condition shows that the seed pricing system in Aceh Besar tends to be determined by business actors without the participation or protection of farmers, which has the potential to create price injustice.

Pricing System and Implementation of MOA No. 12/2018 in Aceh Besar

Generally, pricing is determined by the supply and demand mechanism. However, under certain circumstances, the government sometimes intervenes to control prices. Intervention in price control is carried out in the following ways: (1) Directly, meaning that the government sets or changes price tariffs directly or through specific policies. (2) Indirectly, which means changing the relationship between demand and supply. Changes in supply are made through changes in production and imports. By regulating the balance between demand and supply, price stability can be maintained and inflation can be avoided.²⁵ The regulations on the Production, Certification, Distribution, and Supervision of Plant Seeds are contained in the regulation of the Minister of Agriculture Number 12 of 2018.

UPTD BPSBTPHP (Regional Technical Implementation Unit of the Center for Supervision and Certification of Seeds for Food Crops, Horticulture, and Plantations) Aceh is in charge of supervising and distributing food seeds that have been certified. Its main tasks include controlling seed circulation, issuing seed certificates, and managing field distribution. The UPTD BPSBTPHP monitors certified food seeds circulating in the production system, whether they originate from outside the region (such as aid from Jakarta, Java Island, or Sulawesi Island) or local seeds that are sold. All of these must be reported to officers from districts and cities who conduct direct visits. In addition, any outside certified food seeds entering the region must first be reported to Mr. Agus, who is responsible for the Aceh Besar district. Incoming seeds will be tested from random samples; if the seeds germinate at a rate above 80%, then they can be circulated.²⁶

Seed producers carrying out certification activities must have recommendations issued by UPTD BPSBTPHP Aceh. The procedure for

²⁵Supriyotno Eko, *Ekonomi Mikro Perspektif Islam* (Uin Malang Press, 2008). pp.230-232.

²⁶ Interview Results Baihaqi Nasution, "Penanggung Jawab Kegiatan Pengawasan Dan Sertifikasi Benih Tanaman Pangan UPTD BPSBTPHP Aceh," n.d.

obtaining recommendations as a seed producer comes to UPTD BPSBTPHP Aceh by bringing the requirements that must be met (photo copy of identity card, 4x6 size photo, labeled seed samples, etc.), after fulfilling the requirements, a location review will be carried out by officers in each city district in the form of land, warehouse, and seed drying ground.²⁷ After the inspection, Agus, as the person in charge of Aceh Besar District, will take the sample to the lab for testing. If the moisture content is above 13 and the growth is above 80%, a certificate will be issued.

Field supervision is conducted during the pre-, during, and post-planting phases. Field supervision is aimed at evaluating the quality of the source seeds, inspecting seed storage procedures, and ensuring that the seeds are not mixed with other varieties. Meanwhile, laboratory supervision is conducted during the pre-packaging, labeling, and marketing phases. Laboratory supervision is aimed at measuring moisture content, seed germination, seed purity, and seed cleanliness from dirt. Seeds that do not meet the requirements, as determined by the results of supervision by BPSBTPHP Aceh, will not be issued certificates.

This seed certification creates a price that varies depending on the seed class, packaging, labeling, and production location. MOA No. 12/2018, article 2, paragraph 2, aims to: a. ensure the availability of sustainable seeds; b. ensure the accuracy of the type, variety, and quality of seeds produced; c. ensure the suitability of the quality of seeds in circulation; d. Accelerate the dissemination and utilization of various technologies to users, and provide business certainty for seed producers and distributors.²⁸

With certification, the seeds obtained will be guaranteed quality so that the price will be higher than the seeds of non-certified strains. The types of certified rice seeds commonly found in the Aceh Besar area include the Mekongga variety, labeled white, Ciherang, labeled purple, and Inpari 50, labeled blue. The variety of seed types may change over time, depending on distribution policies, market demand, and stock availability. The quality of each seed can generally be identified through the color label on the packaging, which also serves as an indicator of the quality level, seed origin, and class based on the national certification system.

Price differences between labels are caused by several factors, including: seed quality, which affects the number of growing seasons it is used,

²⁷Suharno Agus Wartapa, *Buku Ajar Sertifikasi Benih* (Pusat Pendidikan Pertanian Badan Penyuluhan dan Pengembangan SDM Pertanian Kementerian Pertanian, 2019). p.4-8

²⁸*Permentan Nomor 12 Tahun 2018*.

production costs, type of packaging (e.g. white labels tend to be packaged in exclusive or *luxury* packaging, while blue labels only use ordinary transparent plastic), transportation costs as the seeds may come from outside the region, and profit margins applied by producers or distributors. These variables collectively shape the price structure of seeds in the field and reflect the complexity in the certified seed market mechanism.

Table 1. Quality Level of Certified Rice Seeds in Aceh Besar

Label	Color	Type	Usage	Price per 5 kg
	Yellow	Seed cultivation	Three times	Rp120,000-200,000
	White	Basic seed	Two times-three times	IDR100,000-150,000
	Purple	Main seed	Two times	Rp90,000-110,000
	Blue	Scatter seed	Once	Rp75,000-85,000

Source: Interview Results with the UPTD BPSBT PHP Aceh

Based on the table presented, it can be concluded that in Aceh Besar, the best type of seed is marked with a yellow label, known as a foster seed or superior seed. These seeds come from varieties that have been developed through breeding or introduced as superior varieties. Seeds can be produced through generative or vegetative propagation methods. The production category of foster seeds consists of Breeder Seeds (BS) with a Yellow label, Basic Seeds (BD) with a White label, Principal Seeds (BP) with a Purple label, and Scatter Seeds (BR) with a Blue label. Meanwhile, seeds derived from hybrid varieties are classified as Broadcast Seed (BR). Seeds from various types of beans and tubers are in the classes of Basic Seeds (BP) and Spread Seeds (BR), which can be propagated through a *poly generation flow* propagation system, where Basic Seeds (BP) can be reproduced into BP1 and BP2, and Spread Seeds (BR) can be reproduced into BR1, BR2, BR3, and BR4. Seed

production derived from local varieties is included in the category of Seed Spread (BR).²⁹

For example, the determination of the cost of production of rice seeds is regulated based on the type of seeds, packaging, and shipping fees. The difference in selling price is not too significant; for example, blue-labeled scattered seeds are sold by the breeder directly to saprodi (seed sellers) for IDR 75,000. The selling price by Saprodi ranges from IDR 80,000 to IDR 90,000 per 5 kilograms, with a profit margin of around IDR 3,000 to IDR 10,000. However, there is no guideline on the highest retail price limit so that the production agent can sell at a higher margin. If the seeds are produced outside Aceh, a delivery or distribution fee of up to IDR 80,000 is charged by the breeder to the producer, and the selling price ranges from IDR 85,000 to IDR 90,000.³⁰

Farmers generally obtain certified rice seeds in Aceh Besar through the nearest saprodi (agricultural production facilities) kiosks. This seed distribution is a form of local government support carried out through a custody mechanism by the UPTD of the Aceh Food and Horticultural Plant Seed Supervision and Certification Center (BPSBTTPHP) at each saprodi, at the subdistrict or village level. In practice, if the seeds are not sold until they *expire*, they will be returned or taken back by field officers from the UPTD BPSBTTPHP. This pattern is applied to ensure the availability of certified seeds throughout the planting season and to limit the circulation of seed strains or uncertified seeds that have not gone through the quality control process.

Although the availability of certified seeds is relatively guaranteed in the field, the results of this study show that not all farmers in Aceh Besar choose to purchase certified seeds. Most farmers, especially those from low-income groups, tend to choose other alternatives such as the inter-farmer *trade-in* system. This practice is based on farmers' trust in the quality of seeds owned by fellow farmers, regardless of certification status. One of the reasons for the low interest in certified seeds is that the socialization conducted by UPTD BPSBTTPHP Aceh has not reached all farmers equally, but is limited only to formally organized farmer groups. This inequality in information dissemination also affects farmers' preferences and behavior in choosing seed sources.

²⁹UPTD Pengawasan dan sertifikasi benih TPHP, "Pelaksanaan Proses Sertifikasi Benih Dalam Rangka Produksi Benih Bersertifikat," *Dinas Pertanian Dan Perkebunan Provinsi Aceh*, 2020.

³⁰Interview results Anwar Jayadi, *Penetapan Harga Benih Padi* (2025).

The government has provided various forms of subsidies to rural communities in Aceh as an effort to support increased agricultural productivity, including assistance in the form of certified rice seeds, fertilizers, farming tools and machinery, and other production facilities. However, the distribution of this assistance is not carried out consistently in each planting season. This irregularity has an impact on farmers' dependence on subsidy programs, as well as encouraging some farmers to seek alternative options, such as the use of non-certified seeds or local seeds obtained through informal exchanges between farmers.

UPTD BPSBTPH Aceh is aware that the local government, through technical agencies such as the Agriculture Office, supervises seeds circulating in Aceh Besar, especially in terms of legality and certification, not the price aspect. Seed sales are only checked in terms of labeling and certificate status every planting season, without any setting of the highest retail price (HET) or price control scheme. This is contrary to the regulation in Minister of Agriculture Regulation (MOA) No. 12/2018 on the Production, Certification, Distribution, and Supervision of Plant Seeds. Although the MOA does not explicitly regulate prices, it mandates the government to ensure a healthy and competitive seed trading system. However, in the field, this policy is not fully understood or implemented by market players. Sellers and farmers are generally unaware of the contents of the regulation, including the price monitoring roles that related institutions are required to carry out.³¹

One of the main constraints expressed by farmers is that although certified seeds provide better yields, their effectiveness is highly dependent on intensive maintenance, which requires additional costs. In the case of low-income farmers, this is a significant burden. The high price of seeds, combined with the extra cost of fertilizer and maintenance, results in a very small profit margin for farmers.

This suggests that a pricing system that overlooks farmers' purchasing power may actually hinder the adoption of superior seeds, leading to farmers' dependence on cheaper but less productive non-certified seeds. If left unchecked, this could result in weakened agricultural productivity and a widening of the economic gap at the smallholder level.

The findings of this study confirm the importance of establishing a seed pricing mechanism that is not only free market-based but also considers distributive justice, as mandated by the *maqashid al-syari'ah* principle. The Islamic economic approach, particularly through the concept of *tsaman*,

³¹"Hasil Wawancara." 2025.

offers an analytical framework that is more equitable and contextual than the pure market price approach.

Thus, this study emphasizes the need for a more comprehensive and participatory regulation of seed prices. Local governments, together with market players, should establish a reference price or the highest retail price of certified seeds that is adjusted to account for the cost of production, distribution, and the purchasing power of farmers. For farmers, the results of this study highlight the importance of increasing market literacy, enabling them to understand their rights in seed transactions and encouraging them to demand price transparency. For seed business actors, this study reminds them of the importance of applying the principle of *tsaman* in business, so that they do not only pursue profits, but also consider justice and the welfare of farmers. Recommendations include: (1) Local governments need to set a reasonable price reference for certified seeds. (2) The socialization of MOA No. 12/2018 should be extended to the farmers and business actors. (3) Seed distribution needs to be opened more competitively to avoid a monopoly. (4) Further research needs to be conducted to quantitatively analyze the impact of seed prices on farmers' welfare.

Conclusion

This study reveals that the market mechanism for certified food seeds in Aceh Besar remains traditional and lacks complete transparency. Seed distribution is carried out through a long chain, from breeders to retailers, with distributors playing a dominant role, which causes farmers' dependence on unilaterally determined prices and access. Pricing does not reflect a fair system because there is no official price reference, and information on production costs, certification, and profits is not known to farmers as end consumers. The socialization of policies, such as MOA No. 12/2018, is still limited, resulting in incomplete implementation in the field.

From the perspective of Islamic economics, particularly the concept of *tsaman*, this condition does not fulfill the principle of a fair price due to a lack of transparency, an imbalance in bargaining position, and potential elements of *gharar*. These findings emphasize the importance of integrating formal policies with Sharia principles to create an equitable and sustainable seed market. Therefore, recommendations are directed at improving price regulations through the setting of price ceilings, enhancing counseling, increasing transparency among business actors, strengthening farmers' capacity, and the need for further research to design a fair certified seed price

model. This research is expected to make a significant contribution to the strengthening of seed market governance, both economically and socially, as well as under Sharia law, at the local level.

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