IJIEF: Indonesian Journal of Islamic Economic & Finance
Volume 8, Issue, 1, 2025
https://doi.org/10.35719/ijief.v8i1

Risk Control Strategy In Seed Management Contracts By Pt East West Seed Indonesia Jember Region

Nurul Hidayat[1], Nikmatul Masruroh[2], dan Ahmadiono[3]
[1]*Postgraduate Students of UIN KHAS Jember*
[2]*First Supervisor and Postgraduate Lecturer at UIN KHAS Jember*
[3]*Second Supervisor and Postgraduate Lecturer at UIN KHAS Jember*

The development of agribusiness in Indonesia has opened a new discourse in agribusiness practices carried out primarily by farmers or cultivators. One form of agribusiness that is quite widely carried out is the partnership concept. Several companies try to offer this partnership concept to farmers to produce a certain commodity and guarantee the marketing of their products. The concept and pattern of partnership offered by one company to another varies. Several factors that influence the concept and pattern of partnership are the type of commodity cultivated, consumer demand for the cultivated commodity, and the market share of the cultivated commodity. PT East West Seed Indonesia (Ewindo) is the first integrated vegetable seed company in Indonesia that has a commitment to being the best Farmer's Friend. The research focuses on: 1) How is the seed management contract at PT East West Seed Indonesia in the Jember Region? 2) How is the identification of forms of risk control in the seed management contract by PT East West Seed Indonesia in the Jember Region? This type of research is descriptive qualitative research with the researcher's own key instrument. The research location is at PT East West Seed Indonesia in Gumuksari, Tegal Besar, Kec. Kaliwates, Jember Regency, East Java. Data collection used interview, documentation, and observation methods. Data analysis was conducted using data reduction, data presentation, and conclusion drawing techniques. The data sources obtained consisted of primary and secondary data sources. The results of this study indicate that: First, the seed management contract implemented by PT East West Seed Indonesia (Ewindo) in the Jember region demonstrates a highly structured and calculated modern agribusiness partnership model. Based on the findings, the company does not diversify the contract model, but instead adopts a uniform and binding nucleus-plasma partnership framework. This structure is built on the principle of strict reciprocity, where the rights and obligations of both parties (the company and the farmers) are clearly defined to minimize risk and uncertainty (gharar). Second, the identification of forms of risk control in the seed management contract by PT East West Seed Indonesia (Ewindo) in Jember demonstrates a comprehensive and layered risk management architecture. From the company's perspective, risk control is designed proactively through the systematic identification of four main areas: technical-quality, agronomic production, operational behavioral, and market.

Keywords: Risk Management; Contracts; Seed Management

Article History: Submitted 28 February 2025; Revised 23 April 2025; Published online 30 June 2025

Address of Corresponding Author
[1]Postgraduate of the State Islamic University Kiai Haji Achmad Siddiq Jember, 68136, Jember, Indonesia

juniorbrave59@gmail.com

How to cite: Hidayat, N., & Masruroh, N. (2025). Risk Control Strategy In Seed Management Contracts By Pt East West Seed Indonesia Jember Region. *Indonesian Journal of Islamic Economics & Finance, 8*(1), 12-31. https://doi.org/10.35719/ijief.v8i1

1. Introduction

The development of agribusiness in Indonesia has opened up new discourse in agribusiness practices, particularly among farmers and cultivators. One form of agribusiness that is quite common is the partnership concept. Several companies are trying to offer this partnership concept to farmers to produce a specific commodity and guarantee the marketing of their produce. The partnership concepts and patterns offered by each company vary. Several factors that influence the partnership concept and pattern are the type of commodity cultivated, consumer demand for the cultivated commodity, and the market share of the cultivated commodity. (Kurnianti, 2013)

The partnership mechanism is carried out with the aim of measuring the extent to which these goals can be achieved. The initial idea for the partnership was PT. East West Seed Indonesia (EWINDO) Jember. Although at the beginning of the partnership process, the company encountered obstacles, namely, before the collaboration, PT. EWINDO in collaborating with the Tisnogambar Farmers Group Association (GAPOKTAN) lacked socialization with the farmer groups. Many people, especially farmers, considered that the partnership carried out by the company could be detrimental to the community and only benefit the company. PT. EWINDO initially saw the potential that the Tisnogambar Village community had quite large potential in cultivating vegetable seeds. Seeing this, PT. EWINDO invited the community to cooperate in cultivating vegetable seeds by making a joint agreement with the community, so that the community took the initiative to form a farmer group with the aim of collaborating with the company.

The legal basis for the verses about partnerships contained in the Quran is:

اِنَّمَا الْمُؤْمِنُوْنَ اِخْوَةٌ فَاَصْلِحُوْا بَيْنَ اَخَوَيْكُمْ وَاتَّقُوا اللّٰهَ لَعَلَّكُمْ تُرْحَمُوْنَ ١٠

The meaning:

"Indeed, believers are brothers, therefore reconcile your two brothers (who are at war) and fear Allah so that you may be blessed" (QS. Al-Hujurat:10).(Departemen Agama RI, 2004)

This verse invites Muslims to support one another, prioritize peace, and maintain good relations. Partnership in this context means working together for the common good, overcoming differences, and building a harmonious society. It is a call to strengthen social and spiritual bonds among fellow Muslims to achieve a greater goal.

Agricultural business partnerships are a collaborative instrument that refers to the creation of an atmosphere of balance, harmony, and skill, which is realized through mutual trust between partner companies and skills and groups through the realization of synergy. In general, a business partnership is a collaboration between two parties with equal rights and obligations and mutual benefits. Business partnership relationships are generally carried out between two parties who have equal positions in terms of bargaining (bargaining position), but partnerships can also be carried out by small groups of people who are considered stronger and large groups of people who are considered weaker, especially in the economic field. In the regulation of Law No. 9 of 1995 which defines partnerships in agribusiness as a cooperative relationship between two or more agribusiness actors that is mutually beneficial. (Saly, 2001)

A subcontracting partnership is a collaboration between a company and another party for the purpose of profit. A subcontracting partnership is characterized by a written cooperation contract defining the rights and obligations of both parties, including selling price, seed quality, and seed delivery time. This partnership between seed farmers and PT East West Seed Indonesia (EWINDO) stemmed from a partnership offer the company made to farmers in Trisnogambar Village, requiring them to register and comply with the company's terms and conditions.

The farmer group consists of smallholders who previously cultivated various types of crops, including rice, corn, chili peppers, and tobacco. Due to the imbalance between their income and capital expenditure, they took the initiative to collaborate with other parties to maintain stable incomes without the constraints of large capital requirements. Farmers in Bangsalsari village, starting from those who only worked on their respective lands, over time there was someone named Mr. Niman, he was also a farmer, he had the idea of creating a group called the Farmers' Group Association (GAPOKTAN) with the aim of proposing his group to collaborate with the PT to increase the farmers' profits.

PT East West Seed Indonesia (EWINDO) is the first integrated vegetable seed company in Indonesia, committed to being the best friend to farmers. EWINDO produces the highest-quality vegetable seeds through plant breeding activities supported by advanced and reliable technology to increase farmers' incomes. PT East West Seed Indonesia (EWINDO) develops approximately 100 varieties of seeds. The Tisnogambar Farmers Group is one of two farmer groups collaborating with EWINDO.

Risk control is a process undertaken to protect a company from losses by determining the best way to manage risks. Risk control is a crucial step that must be implemented after risk identification and measurement.

Risk control is a crucial step and determines the overall risk management process. Risks with known magnitude and potential consequences must be managed appropriately, effectively, and within the company's capabilities.

The collaboration between EWINDO and the Tisnogambar Farmers Group involves producing agricultural seeds into superior, ready-to-plant seedlings through a partnership system where both parties enter into a stamped cooperation contract for one harvest. The partnership involves EWINDO providing free seeds to partner farmer groups for production, which are then converted into seedlings, which are then resold to EWINDO at a predetermined price. Throughout the production process, EWINDO provides ongoing support and supervision to the farmer groups to ensure the seeds are superior and competitive in the market.

Based on information received from both parties, the aforementioned initiatives represent a form of economic empowerment amidst the pandemic and are worthy of development, as they are mutually beneficial and reinforcing. The farmer groups benefit from the sale of seeds produced to EWINDO at a stable price, while the company benefits from the sale of seeds produced to agricultural stores. PT EWINDO provides seeds for farmers to plant, then manages the seeds by planting them in the land prepared by the farmers. After harvest, these crops are sold back to PT EWINDO, eliminating the difficulty of finding buyers for their crops.

Cooperation between farmers and the company can provide several benefits. One of these is access to a wider market. By working with the company, farmers can gain access to a wider market. Companies often have extensive distribution networks and can help market farmers' products to a wider customer base. Market stability: By working with the company, farmers may enjoy greater market stability. (Mudatsir, 2022) Companies can be partners that can guarantee consistent purchases of farmers' products, even during market price fluctuations. Companies often have access to greater capital and technology resources. Through this collaboration, farmers can leverage these resources to improve production efficiency, increase yields, or adopt more modern agricultural practices.

Meanwhile, PTs can also gain several benefits by collaborating with farmers. Among the benefits PTs may derive from Stable Raw Material Supply are: By collaborating with farmers, companies can obtain a stable supply of raw materials for their production. Farmers can provide agricultural products such as food crops, fruits, vegetables, or other raw materials needed by the company. Product control and quality: By collaborating with farmers, companies can better control and monitor the quality of agricultural products used in their production. This is crucial to ensuring the final product is of the desired quality and meets the company's standards.

However, as the collaboration progresses, several obstacles or risks often arise during seed production in the field, one of which is weather factors, an external risk that cannot be controlled by either farmers or companies. Extreme climate change, such as heavy rain or drought, can affect plant growth. If seeds are planted at the wrong time or during adverse weather conditions, yields can be significantly reduced. Consequently, suboptimal yields can impact sales revenues for both the farmer and the company itself.

Climate change can impact seed production, but it doesn't always directly determine the final yield. For example, changes in temperature and rainfall patterns can affect plant growth phases and the quality of the resulting seeds. Higher temperatures can accelerate the ripening process but can also lead to decreased seed quality due to thermal stress. Furthermore, uncertain rainfall patterns can disrupt irrigation systems and water availability, which in turn impacts plant growth and seed production.

On the other hand, climate change is also encouraging farmers to adapt to more sustainable agricultural practices. This includes selecting seed varieties that are more resistant to extreme conditions and implementing innovative agricultural techniques. However, the response of agricultural systems to climate change is complex and influenced by various factors, including government policies, access to technology, and local knowledge. Therefore, while climate change may impact seed production, many other factors also play a role in determining the final outcome.

This is where risk governance comes in. Risk governance, or risk management, is a systematic approach to managing uncertainty related to threats within an organization. The process identifies the various types of risks an organization may face, both internal and external. (Siahaan,2021) Risk identification must be carried out comprehensively, involving all stakeholders. Risk governance is a systematic framework encompassing the principles, policies, and procedures an organization uses to manage the various types of risks it may face. Risk governance aims to identify, analyze, evaluate, and control risks in a structured manner to achieve organizational goals (Handayani,2024). However, in implementing seed management contracts, various risks can arise and impact harvest success. These include major risks such as crop failure due to unfavorable weather conditions, quality deviations, and contractual non-compliance, which can be detrimental to both parties.

In addition to the principles mentioned above, the collaborative practice also implements agricultural business partnership guidelines, which explain that the purpose of establishing collaboration is to increase income, business continuity, improve the quality of partner farmer resources, increase business scale, and grow

and enhance the business capabilities of independent partner groups. Partnerships are collaborations between small businesses that demonstrate the principles of mutual need, mutual reinforcement, and mutual benefit (Suradistra, 2010).

The partnership between the Tisnogambar Farmers' Group (Gapoktan Tisnogambar) and PT East West Seed Indonesia (EWINDO) begins with the nursery. The seeds are provided free of charge by PT East West Seed Indonesia (EWINDO). Farmers only provide the land, fertilizer, and harvest costs. The harvest is sold directly to PT East West Seed Indonesia (EWINDO).

This collaborative practice is interesting to study for two reasons. 1) The collaboration between the two groups is well-organized, resulting in mutual economic benefits. 2) This collaborative practice has not been widely implemented in other regions, so the results could be an alternative solution to strengthen the community's economy when hit by a similar pandemic. 3) The rights and obligations of each party are regulated in a Contract Agreement (SPK).

Based on the background above, the author is interested in examining the partnership cooperation system carried out by PT East West Seed Indonesia in using the musaqah contract with the Jember Regency Farmers Group and presenting it in the form of the title "Risk Control Strategy In Seed Management Contracts By Pt East West Seed Indonesia In The Jember Region".

Literature review

A. Contract

1. Definition of Contract

A contract is essentially an agreement, so discussing a contract is the same as discussing the definition of an agreement. When discussing an agreement, it is first necessary to understand what an agreement actually is and its legal basis. The agreement in question is the agreement regulated in Book III of the Civil Code, entitled "Contracts," which consists of general provisions and specific provisions. What is meant by a contract in Book III of the Civil Code is a legal relationship (regarding property) between two people, where one person grants the right to demand something from the other, while the other person is obliged to fulfill that demand (Subekti, 1976).

The agreement, which consists of general provisions and special provisions, regulates certain agreements called named agreements, meaning they are called named because the agreement is regulated and given a name by the law maker, and besides named agreements there are also unnamed agreements, which are not regulated by law, for example lease purchase agreements and so on. Agreements or verbintenis contain the meaning of a legal relationship/property between two or more people, which gives the power of rights to one party to obtain performance and at the same time obliges the other party to fulfill performance (Harahap, 1982). The agreements mentioned above most often arise from an event where two or more people promise something to each other. This event is most accurately called an agreement, which is an event consisting of a series of promises. It can be stated that the term "agreement" is very popular among the people (Subekti, 1976).

Likewise, Wirjono Prodjodikoro stated: an agreement is a legal relationship regarding property between two parties, in which one party promises or is deemed to have promised to do something while the other party has the right to demand the implementation of that promise (Prodjodikoro, 1985).

According to Article 1233 of the Civil Code, every obligation arises either by law or by an agreement. Therefore, an agreement or law must first exist, so it can be said that the agreement and law are the source of an obligation. The legal basis for an agreement is Article 1338 paragraph (1) of the Civil Code, which states that all legally made agreements apply as law for the parties making them. Meanwhile, obligations arising from law can be divided into two categories: those arising from law alone and those arising from human actions. For example, those arising from law alone include the obligations or rights of parents towards their children, and conversely, the obligations of children towards their parents if the parents are incapacitated.

Those arising from law alone can be divided into two categories: those permitted by law and those unlawful. For example, those permitted by law include managing another person's assets without their knowledge, while unlawful acts are those that harm another person.

Obligations arising from law alone and those arising from human actions are not agreements because neither type of obligation contains an element of promise. Where a person cannot be said to have promised something, if an obligation is imposed on him by mere law or in

the case of an unlawful act in direct conflict with his will. In this case we will focus on engagements that originate from agreements or agreements.

Regarding the law of agreements, it is contained in Book III of the Civil Code, entitled Concerning Engagements, which in total consists of eighteen chapters (chapter I to chapter XVIII). Chapters I to IV regulate about:

I: Contracts in general
II: Contracts arising from agreements
III: Contracts arising from laws
IV: Regulations regarding the cancellation of contracts.

Meanwhile, Chapters V to Chapter XVIII regulate special agreements which are types of agreements that always occur in society, and are usually called named agreements. If you pay attention to matters of engagement in Book III, what is regulated in Chapters I to Chapter IV is to regulate the main points of the engagement, while chapters V to Chapter XVIII contain further discussion, sometimes repetition of the general part. So the general part of Book III basically applies to all agreements, both named and unnamed.

2. Types of Contracts

Contract law is a legal phenomenon that constantly occurs in social life. Therefore, when viewed from a legal perspective, contract law naturally differs from one another. This means that the agreements that apply in society have their own characteristics. These different characteristics in the form of the agreement represent the form or type of the agreement. While these forms or types of agreements are not specifically regulated by law, in the application of contract law by society, through the interpretation of articles of the Civil Code, there are certainly different forms or types.

These differences can be grouped as follows:

a. Reciprocal Agreement

A reciprocal agreement is an agreement that provides rights and obligations to both parties.

b. Unilateral Agreement

A unilateral agreement is the opposite of a reciprocal agreement. A unilateral agreement is an agreement that gives obligations to one party and rights to the other party.

c. Free agreements and agreements based on burdensome rights

A free or gratuitous agreement is an agreement that only benefits one party.

d. Named agreements and unnamed agreements

A named agreement is an agreement that has its own name, meaning that the agreement is regulated and given a name by law.

e. Material Agreement and Obligatory Agreement

A material agreement is an agreement to transfer property rights in a sale and purchase agreement.

f. Consensual Agreements and Real Agreements

A consensual agreement is an agreement that arises from the agreement of wills between the parties. A real agreement is an agreement that, in addition to the agreement of wills, also requires actual delivery of the goods.

3. Conditions for a Valid Contract

For an agreement to be valid, the provisions stipulated in Article 1320 of the Civil Code must be fulfilled, namely:

a. They agreed to bind themselves
b. Able to make an agreement
c. Regarding a certain matter
d. A legitimate cause.

The first two conditions are called subjective conditions because they concern the people or subjects who enter into an agreement, while the last two conditions are called objective conditions because they concern the agreement itself by the object of the legal act carried out. (Abdulkadir, 1982)By agreement or also called permission, it is meant that the two subjects who enter into an agreement must agree, consent or be in agreement regarding the main matters of the agreement made. What is desired by one party is also desired by the other party. They want the same thing reciprocally, the buyer wants something from the seller.

The consent or agreement of each party must be stated explicitly, not tacitly. The consent must also be given free from influence or pressure, namely coercion. An agreement is said to be flawed if the will is influenced by outside forces in such a way that it can influence the parties concerned in giving their consent. For example, because of being threatened, coerced, or because of a mistake regarding the nature of the object being agreed upon, or it can also be due to fraud. In short, there are extraordinary things that cause one of the parties to the agreement to give their permission or agreement not freely, resulting in the permission being flawed and imperfect.

An agreement made with a flawed agreement is considered to have no value. This is different from a relative coercion, where the person being coerced still has the opportunity to follow the will of the person who is coercing or reject it, so that if there is no consent from the person being coerced, it is clear that the consent that has been given is an imperfect consent, that is, it does not fulfill the conditions stipulated in Article 1320 of the Civil Code. This kind of coercion is what the law means can be used as a reason to demand the cancellation of an agreement, namely coercion that results in consent or permission being given, but incorrectly.

4. Rights and Obligations of the Parties

When two people enter into an agreement, each party aims to obtain a benefit from the other party. This benefit can be in the form of giving something, doing something, or not doing something. This agreement is made with the intention of being implemented, and generally, it is. Each party must carry out what was agreed upon exactly. An agreement is an event in which one person promises to another, or in which two people promise to each other to carry out something agreed upon.

Having various kinds of things that are promised to be carried out, the agreement is divided into three types, namely:

a. Agreement to give, hand over an item.
b. An agreement to do something.
c. An agreement not to do something.

Determining the boundary between giving and doing often raises doubts. Although grammatically, giving is defined as doing, generally, giving means handing over ownership or providing enjoyment over something. For example, handing over ownership of a house or providing enjoyment over a rented item to the tenant. Doing, however, refers to any positive achievement that does not involve giving, such as painting.

B. Risk Management

1. Understanding Risk Management

The word risk is widely used in various senses and is commonly used in everyday conversation by most people. When someone states that there is a risk involved in carrying out a certain task, for example: Riding a motorbike on a very busy road is very risky. People intuitively understand the meaning. However, this intuitive understanding is only satisfactory when used in everyday conversation. Understanding the concept of risk broadly is an essential foundation for understanding risk management concepts and techniques. Therefore, by studying the various definitions found in various literature, it is hoped that understanding the concept of risk will become clearer. Risk is defined as the uncertainty created by change. Risk is a deviation from what is expected. This uncertainty factor ultimately causes risk in an activity. From a business perspective, risk can generally be defined as the potential, possibility, or expectation of an event that could negatively impact income and capital.

Risk is uncertainty, an illusion created by people due to imperfect knowledge in a particular field. The uncertainty faced by a company can have a detrimental impact or it can be beneficial. If the uncertainty faced has a beneficial impact, it is known as an opportunity. Meanwhile, uncertainty that has a detrimental impact is known as a risk. Therefore, it can be concluded that risk is an uncertain situation faced by a person or company that can have a detrimental impact. There are several definitions of risk management, including: risk management is defined as a comprehensive approach to handling all events that cause loss. Risk management is said to be a logical process in an effort to understand exposure to a loss. Risk management actions are taken by practitioners in response to various risks.

Risk management is a field of study that discusses how an organization applies measures to map various existing problems by implementing various management approaches comprehensively and systematically. Risk management has a broader meaning, namely all risks that occur in society (loss of property, financial life, business, etc.) viewed from the perspective of

company management. Risk management is a comprehensive set of policies and procedures that an organization has, to manage, monitor, and control the organization's risk.

2. Risk Management Objectives

Risk management is implemented solely for specific purposes. These goals are to protect the company. The first goal is to protect the company from dangerous business risks. This ensures that the business entity remains viable even when faced with various problems and negative events. Protecting a company with risk management is more successful than protecting it without it. This is because before a problem occurs, the type of problem is detected in advance. There are several objectives of implementing risk management, which are able to solve problems that pose risks to goals and achieve goals:

a) Protecting the company (protecting), providing protection for the organization from significant levels of risk that could hinder the achievement of organizational or company goals.
b) Ensuring that existing risks in the company have been identified and assessed, and that action plans have been developed to minimize their impact and likelihood of occurrence.
c) Encouraging management to be proactive, encouraging management to act proactively in mitigating potential risks, and making risk management a source of competitive advantage and company performance.
d) Ensuring that action plans are implemented effectively and can minimize the impact and likelihood of risks occurring.
e) Assisting in the creation of a consistent framework for risks inherent in business processes and functions within a company.
f) Improving management effectiveness and efficiency because all risks that could hinder company processes have been properly identified, including ways to address disruptions to the smooth running of company processes have been anticipated in advance so that if such disruptions occur, the company is prepared to handle them effectively.
g) As a cautionary tale, encouraging all individuals within the company to act cautiously in dealing with company risks to achieve shared goals.
h) Building corporate management's decision-making skills by providing information on existing risks within the company, both strategic risks and the activities of business functions or processes within work units.
i) Socializing risk management: Building individual and management capabilities to promote an understanding of risk and its importance.
j) Improving corporate performance: Helping improve corporate performance by providing information on the level of risk outlined in the risk map. This is also useful for developing strategies and continuously improving processes.
k) Providing greater assurance of achieving corporate goals through more effective and efficient management, improved stakeholder relations, and an increased ability to manage corporate risks, including compliance and penalty risks.

In practice, there are two objectives of risk management: before the risk occurs and after the risk occurs. The objectives before the risk occur are economic matters, non-economic matters, and obligations to third parties or parties outside the company. The objectives after the risk occurs are to safeguard the company's operations, maintain the company's operations so that they continue, prevent the company's revenue from flowing in, maintain business growth for companies that are currently developing their business, and maintain corporate social responsibility.

3. Stages in Risk Management

To implement comprehensive risk management, there are several stages that must be carried out by a company, namely: (Kendrick, 2015)

a) Risk identification. At this stage, company management takes action by identifying each type of risk experienced by the company, including those that may be encountered. This identification is carried out by examining potential risks that are already visible and those that may become visible.
b) Identifying risk types. At this stage, company management is expected to be able to identify the type and format of the risk in question. The identified risk types can be explained in detail, including their characteristics and the factors that contribute to their emergence. At this

stage, company management has also begun collecting and receiving various qualitative and quantitative data.

c) Establishing risk metrics. At this stage, company management has established the metrics or scales to be used, including the design of the research methodology model to be used. Incoming data, both qualitative and quantitative, has been received, and data sorting is carried out based on the methodological approach used. With the existing research methodology design, company management is expected to have a strong foundation for data processing. It is important to understand that the use of measurements based on the research methodology format must be carried out with great care and precision, as if incorrect or inappropriate to the case at hand, the results obtained will also be considered inaccurate.

d) Identifying alternatives. At this stage, company management has processed the data. The results are then described in qualitative and quantitative form, along with the consequences or influences that will arise if these decisions are made. The various forms of explanation presented are sorted and classified as decision alternatives. Analyzing Each Alternative: At this stage, each available alternative is analyzed and presented from various perspectives and potential effects. The potential impacts, both short-term and long-term, are presented comprehensively and systematically, with the goal of obtaining a clear and concise picture. Clarity and clarity are crucial to facilitate informed decision-making.

e) Deciding on an alternative. At this stage, after various alternatives have been presented and explained verbally and in writing by company management, it is expected that company managers will have a specific and in-depth understanding. Selecting one alternative from among the various alternatives offered means selecting the best alternative, including rejecting other alternatives. By selecting one alternative as a solution to address various problems, it is hoped that the company manager will have a strong foundation for assigning company management to work based on the existing concept and framework.

f) Implementing the selected alternative. At this stage, after the alternative has been selected and confirmed, and a team has been formed to implement it, the company manager has issued a Decree (SK) complete with a cost breakdown. The allocated cost breakdown has been approved by the finance department and other key decision-making authorities.

g) Controlling the selected alternative. At this stage, the selected alternative has been implemented and the management team and company managers have agreed to implement it. The company manager's primary task is to exercise maximum control to avoid unwanted risks.

h) Evaluating the progress of the selected alternative. At this stage, after the alternative has been implemented and controls have been implemented, the management team will systematically report to the company manager. This reporting will consist of fundamental and technical data, without excluding verbal information. The purpose of evaluating the selected alternative is to ensure that the work continues as planned.

4. Benefits of Risk Management

By implementing risk management in a company, there are several benefits that will be obtained, namely:

a) The company has strong metrics as a basis for making every decision, enabling managers to be more prudent and consistently incorporate metrics into various decisions.

b) It can provide direction for a company in assessing potential short-term and long-term impacts.

c) It encourages managers in decision-making to consistently avoid risks and avoid the impact of losses, especially financial ones.

d) It enables the company to minimize the risk of loss.

e) With a detailed risk management concept, the company has established a sustainable direction and mechanism.

5. Risk Identification

Risk identification is the process of recognizing, discovering, recognizing, and determining risks that may impact a project, as well as documenting these risks in a risk register. The primary benefit of this process is the documentation of existing risks and the information it provides to the project team to anticipate potential events. The purpose of risk identification is to identify various things, events, and situations that may occur that have an impact on the

achievement of company objectives, including the sources or inputs from the identified risks and a description of each event.

The parties involved in identifying risks are those involved in the project itself. Typically, these parties include the project manager, project team members (risk management division), customers, subject matter experts (team of experts) from outside the project team, end users, other project managers, stakeholders, and risk management experts. While these parties play a crucial role in identifying risks, the entire project team should also be encouraged to identify potential risks. These parties undertake a process of determining which risks could impact the project and documenting their characteristics. The primary benefit of this process is the documentation of existing risks and the knowledge and skills it provides the project team to anticipate potential incidents. The following illustrates the risk identification process, which begins with exploring and understanding risk information sources (inputs), then analyzing the identified risks using various available tools and techniques, and finally, creating a list of risk outcomes (outputs).

This risk identification process is an iterative process throughout the project, as risks can emerge both before and during project implementation. The format of the risk statement must be consistent to ensure that each risk is clearly and unambiguously understood to support effective analysis and the development of risk treatment measures. Risk awareness and a sense of responsibility require that each project team member be aware of project risks and be sensitive to specific events or factors that could potentially impact the project positively or negatively.

Based on the explanation above, the inputs from risk identification, or sources of information for risk identification, include risk identification tools and techniques, and the outputs from risk identification, namely a list of risk identification results. After studying this chapter, readers are expected to be able to examine and explain risk identification inputs, analyze risk identification using applicable tools and techniques, and create risk identification outputs, namely a list of risk identification results.

Risk identification can also be defined as the sources of information from risk identification. Risks can be identified from various different sources. Typically, risks are identified before the project is implemented. The following are the inputs from risk identification.

a) Risk Management Plan

   A risk management plan is a component of a project management plan that describes how risk management activities will be structured and implemented. A risk management plan can be used to help identify risks throughout a project. The risk management plan includes methodology, role and responsibility assignments, budgeting, schedules, risk categories and impacts, reporting formats, and risk tracking.

b) Cost Management Plan

   A cost management plan is a component of a project management plan that describes the planning, estimation, and control of project costs. A cost management plan can be used to help identify risks throughout a project. A cost management plan documents each process in project management and establishes various things that include the measurement of each resource, the level of precision and accuracy based on the scope of activities and the size of the project, cost control procedures, and the format for project cost reporting.

c) Schedule Management Plan

   A schedule management plan is a component of a project management plan that describes the schedule and scheduling tools used in a project, as well as the timing and activities of project implementation. A schedule management plan can be used to help identify risks throughout a project. It establishes the criteria and activities for developing, monitoring, and controlling the entire schedule within a project. The schedule management plan can be formal or informal, highly detailed or extensive, based on the needs of the project and includes appropriate control thresholds. It also includes a project schedule reporting format.

d) Quality Management Plan

   A quality management plan is a component of a project management plan that describes how quality management will be implemented. The project management team must meet the established quality requirements for the project. The quality management plan should be reviewed early in the project to ensure that decisions are based on accurate

information. This is done to prevent cost and schedule overruns caused by redundant work due to unmet project requirements.

e) Human Resource Management Plan

A human resource management plan is a component of a project management plan that describes how a project's human resources should be defined and managed. The human resource management plan includes roles and responsibilities, a project organizational chart, and a staffing plan, which are key inputs for identifying process risks.

f) Scope Baseline Scope Baseline

Scope baseline or project scope is a component of the project management plan that explains the scope or scope of the project and a more detailed work structure called the Work Breakdown Structure (WBS) to help understand the implementation of the project. The project scope contains project assumptions that contain uncertainties that must be evaluated as potential risks in the project. The WBS is important in identifying risks because it provides an understanding of potential risks at both the micro and macro levels.

g) Activity Cost Estimates

Activity cost estimates are a component of a project management plan that describes a quantitative assessment of the potential costs required to complete a scheduled project. Costs are estimated for all project resources, including labor, raw materials, equipment, transportation, information technology, inflation, exchange rates, and so on. These estimates can produce projections that indicate whether the budgeted costs are sufficient or insufficient to complete a project.

h) Activity Duration Estimates

Activity duration estimates are a component of a project management plan that quantitatively assess the likely time required to complete a scheduled project. The estimated duration does not include any delays in project implementation, but rather the range of possible project implementation times.

i) Stakeholder Register

A stakeholder register is a component of a project management plan that provides information about stakeholders that is useful in identifying risks. This information can also demonstrate stakeholder participation during the risk identification process. This information includes identification information such as name, position, location, and role in the project, as well as assessment information such as project requirements and expectations and potential impacts. Furthermore, the stakeholder register also includes stakeholder classifications, including internal, external, and other stakeholders. The stakeholder register should be evaluated and updated regularly, as stakeholders may change or be newly identified throughout the project.

j) Project Documents

Project documents are components of a project management plan that provide information to the project team to help identify project risks and enable informed decision-making. Project documents include the project budget, project schedule, network diagram, problem log, and project quality checklist, as well as other information necessary to identify risks.

k) Procurement Documents

Procurement documents are a component of the project management plan and serve as the primary input for the risk identification process when the project requires the procurement of external resources. Procurement documents must be detailed and accurate in reflecting the project's value and the risks associated with the procurement plan. Terms such as bid, tender, or quotation are generally used when the vendor selection decision will be based on price, while terms such as proposal are generally used when other considerations, such as technical capabilities or technical approach, are considered. Common terms used for various types of procurement documents include Request for Information (RFI), Invitation for Bid (IFB), Request for Proposal (RFP), Request for Quotation (RFQ), Tender Notice, and Invitation for Negotiation. Procurement terminology may vary by industry and procurement location.

l) Enterprise Environmental Factors

Enterprise environmental factors are components of a project management plan that can influence the risk identification process. Enterprise environmental factors include published information, including commercial data, academic studies, published checklists, organizational culture, geographic resources, government regulations, market conditions, political climate, and so on.

m) Organizational Process Assets ,

Organizational process assets are components of a project management plan that contain valuable and critical information. There are two categories of organizational process assets: processes and procedures, and the corporate knowledge base. Processes and procedures encompass project planning, implementation, monitoring, control, and closure. The corporate knowledge base encompasses standards and policies, financial data, management data, and historical files.

6. Risk Control

Control is the final part and a process in carrying out an activity. Risk can be defined in various ways. For example, risk can be described as an unfavorable event or as a deviation from an anticipated outcome. Regardless of how risk is defined, it always consists of two essential elements: probability/likelihood and loss/impact. Therefore, it can be concluded that risk control is the process of identifying, analyzing, and controlling risks in every company/business operation in order to increase effectiveness and efficiency. Risk control, according to experts, is an effort to detect, assess, and manage risks in every company/business operation to reduce losses. (Darmawi, 2011)

a) Risk Control Measures

Risk control measures are preventive control measures for the production process of a product or work activity that results in dangerous effects, which include procedures for controlling work processes starting from materials, tools, work processes and work areas.

b) Elimination

The best way to reduce the frequency of exposure to danger is to use the elimination method. Risk exposure is avoided by eliminating causal factors. If the root of the problem is eliminated, the risk of danger that might occur can be minimized.

c) Substitution

Substitution is replacing materials, tools or work methods with other control methods so that the possibility of accidents can be minimized.

d) Engineering

Engineering is a scientific approach model that engineers work processes to prevent major dangerous impacts.

e) Technical control

Not by changing the direction of risk transfer with the intention of isolating the risk itself.

f) Administrative

Administrative is a form of control principle to minimize direct individual contact with sources of danger.

g) Personal Protective Equipment (PPE)

It is a protective tool for workers which aims to prevent or minimize the impact/consequences that occur if a work accident occurs. (Moleong, 2016)

C. Seed Management

Management comes from the word manage which has the prefix "peng" and the suffix "an" so that it becomes management which means management, care, supervision, regulation. Management itself begins with the word "kelola", added with the prefix "pe" and the suffix "an" another term for management is "management". Management is a word originally from English, namely "management", which means implementation, leadership, management management or management in the general sense according to Suharismiarikunto is the administration, regulation, or arrangement of an activity. However, the word "management" itself has been absorbed into Indonesian as "management," which has the same meaning as "management," namely as a process of coordinating and integrating work activities so that they can be completed efficiently and effectively. Then, "management" was translated

into Indonesian as "management." Management is carried out through a process and is managed based on the sequence and functions of management itself. Management is the systematic management of resources owned by a school or organization, including people, money, methods, materials, machines, and marketing, carried out in a process. Management is also defined as the process of planning, organizing, leading, and controlling organizational members to achieve predetermined goals effectively and efficiently.

Seed processing is the physical transformation of seeds after harvest into clean, uniform seeds that meet specified standards. The goal of processing is to produce seeds with physical, physiological, and genetic qualities that meet seed quality standards.

Seed processing is divided into several sections, each of which plays an equally important role in determining seed quality. These sections are:

1) Threshing

   Threshing is the process of separating seeds from other plant parts. Threshing is just as important as selecting a seed source, as improper threshing can result in poor-quality seeds. All efforts to find a good seed source will be wasted if threshing is not done correctly. Therefore, a dedicated seed collection team is essential, as contract workers often pay little attention to seed quality, focusing solely on quantity. Threshing can be done manually, by hand, or by machine.

2) Drying

   After harvest, drying is essential. Drying reduces the accumulated temperature around the seeds, either heat from the field or from respiration. Drying also lowers the seeds' moisture content. High moisture content in seeds stimulates respiration and the growth of microorganisms (especially fungi), which contribute to seed deterioration. The time interval between harvest and drying significantly impacts seed quality, particularly its shelf life. Before drying, farmers typically allow seeds to dry for a period of time, known as bulk storage, especially if drying relies solely on sunlight. The higher the seed moisture content at harvest, the shorter the storage period. Similarly, the higher the temperature of the storage room, the shorter the storage period.

3) Cleaning

   Cleaning is done to separate seeds from foreign objects. Cleaning or sorting seeds, extracted seeds that still contain impurities such as husks, pod remains, twigs, wing remains, fruit flesh, soil, and damaged seeds, must be removed to improve their quality.

4) Separation or Sorting

   Separation or sorting is separating good quality seeds from low quality seeds, separated according to size, color and weight.

5) Maintenance

   Seeds are given specific treatments to prevent or kill seed-borne disease-causing organisms. Seeds can be treated in various ways, including using ultraviolet light, infrared light, and heat with chemicals.

6) Labeling

   Labeling is done after testing, intended to differentiate one seed from another. Labeling is done to provide identity to the seeds.

7) Packaging

   To maintain seed quality, good packaging is required. Based on the type of seed packaging material commonly used, it is:

   a) Sack packaging material
   b) Paper packaging material
   c) Plastic packaging material
   d) Aluminum oil packaging material
   e) Storage

      Storage itself has several purposes, including:

      1) Maintaining seeds in good condition (high germination rate)
      2) Protecting seeds from pests and fungi
      3) Maintaining sufficient seed supply during the fruiting season when the need for seeds is not met.

There are two important factors during seed storage: temperature and humidity. Generally, seeds can be maintained for a considerable period of time. Maintaining temperature and humidity can help maintain seed quality. Therefore, a dedicated storage area is necessary.

Experts have offered their opinions on the definition of seed management, including:

a. G.R. Terry said that management is a unique process consisting of planning, organizing, moving and controlling actions carried out to determine and achieve predetermined goals through the use of human resources and other resources.
b. According to James A.F. Toner in his book Linisawara, management is the process of planning, organizing, leading, and supervising the efforts of members of an organization by using other resources to achieve the organizational goals that have been set.
c. According to Hamalik in his book, Suryo Subroto says that management is a process of moving, organizing, and directing human efforts to achieve their goals.
d. According to Soekanto in his book, Abas Syahrizal said that management is a process that starts from the planning, organizing, supervising, driving, to the process of realizing goals.

From the definition above, it can be interpreted that management is a series of processes in the form of planning, organizing, controlling and supervising in an organization, especially in the world of education, so that the desired educational goals can be achieved effectively and efficiently.

2. Method

A. Research Approach and Type

This research uses a qualitative approach. Qualitative research aims to understand phenomena experienced by research subjects holistically and by describing them in words and language using various scientific methods. A qualitative approach was chosen because the purpose of this study was to describe the empirical reality in depth, in detail, and comprehensively regarding the phenomenon that occurred regarding the risk control strategy in seed management contracts at PT East West Seed Indonesia in the Jember Region.

The type of research used in this study was descriptive research, which aims to describe the phenomenon being studied systematically and objectively. In the context of research on "Risk control strategies in seed management contracts by PT East West Seed Indonesia, Jember Region", this research focuses on collecting and analyzing data regarding the strategies implemented by PT East West Seed Indonesia in managing risks related to seed management contracts.

B. Research Location

PT East West Seed Indonesia (EWINDO) is located in Gumuksari, Tegal Besar, Kaliwates District, Jember Regency, East Java. The reason researchers chose this company as the research location is because PT East West Seed Indonesia (EWINDO) in the Jember area is a strategic research location because this company is one of the global leaders in the hybrid vegetable seed industry with advanced research and development facilities. This company also has a strong commitment to innovation in sustainable agricultural technologies and local human resource development, thus providing an opportunity to study best practices in breeding, post-harvest technology, and technology transfer to farmers.

C. Presence of Researchers

To obtain as much data as possible in the field, researchers, assisted by others, serve as the primary data collection tool. In qualitative research, humans are the primary instrument, serving to establish the research focus, select informants as data sources, collect data, assess data quality, analyze data, interpret data, and draw conclusions. While instruments other than humans can also be used, their function is only as support and assistance in research.

Researchers are the primary instrument for exploring existing problems within society. Therefore, researchers are required to be active in compiling the research plan, process, and implementation. This will be a factor in the validity of the entire research process and results. The researcher chose to conduct qualitative research based on his research experience because he also plays a key instrument. The presence of the researcher is absolutely necessary, as one of the characteristics of research is that data collection is carried out solely by the researcher. The researcher is present purely as a researcher from outside PT East West Seed Indonesia, Jember Region, and part of the partners (farmers).

D. Research Subjects

The subject selection in this study used a purposive technique, which selects and determines informants based on predetermined considerations. Purposive data collection is a technique that relies on prior objectives or considerations. A particular consideration here is the informants whom the researcher considers knowledgeable about the Tisnogambar Farmers Group and PT East West Seed Indonesia (EWINDO). The informants included in the study include:

1. Regional Head of PT East West Seed Indonesia, Jember Region, Mr. Sony Irawan
2. Production Department of PT East West Seed Indonesia, Jember Region, Mr. Hendra Setiawan
3. Quality Control (QC) Department of PT East West Seed Indonesia, Jember Region, Mr. Rudi Hartono
4. Field Coordinator of PT East West Seed Indonesia, Jember Region, Mr. Andi Wijaya

5. Field Extension Officer (PPL) of PT East West Seed Indonesia, Jember Region, Mr. Joko Susanto
6. Administrative Staff of PT East West Seed Indonesia, Jember Region, Ms. Pratiwi
7. Finance Staff of PT East West Seed Indonesia, Jember Region, Ms. Lestari
8. Heads of the Tisnogambar Farmers Group, Mr. Niman, Sulaiman, Rahmad, Slamet, Budiman.

E. Data Collection Techniques

Data collection techniques are the most strategic step in research, as the primary goal of research is to obtain data. Without understanding data collection techniques, researchers will not obtain data that meets established data standards. To support the writing of this thesis, there are several data collection techniques that the author uses, namely:

1. Observation

   Observation is a data collection technique. By conducting observations, researchers can observe research objects more closely and in detail. For example, researchers can observe the activities of the object under study. These observations can then be translated into verbal language.

   Observation techniques are used to extract data from data sources such as events, behaviors, places or locations, objects, and recorded images. Observations can be conducted both directly and indirectly. The most effective way to use the observation method is to complete it with an observation form or form.

   Observation results from the risk control strategy implemented by PT East West Seed Indonesia in the Jember region demonstrated effectiveness in reducing risk impacts. However, there is a need for increased training for farmers and strengthening of the distribution network to optimize yields.

2. Interview Techniques

   The interview technique is a method used to collect data to seek information by conducting oral and written questions and answers directed at specific problems with informants guided by a list of questions that have been prepared beforehand. Informants in this study are people involved and have close ties with PT East West Seed Indonesia, Jember Region, such as the owner, employees, and partners at PT East West Seed Indonesia, Jember Region. Interview activities were conducted using interview guidelines adapted to the source and researcher. The content of the interview included partnership strategies implemented to improve the farmer's economy and partnership patterns from the perspective of muamalah fiqh.

   Interviews revealed that the main risks in seed management include weather, pests, and market prices. Implemented strategies, such as diversification and insurance, have shown effectiveness, but challenges remain in terms of access to information and training for farmers. Greater support in the form of training and information is needed to improve risk management.

3. Documentation

   Documentation is a record of past events. Documents can be in the form of writings, images, or monumental works of a person. This method is used by researchers to obtain documentary data. This technique is used to increase the validity of the data obtained in real life. In this study, the documents collected include the history of the founding of PT East West Seed Indonesia, Jember Region, the Vision and Mission of PT East West Seed Indonesia, photos taken during interviews, and so on.

F. Data Analysis Techniques

In this study, the researcher used descriptive data analysis. Data analysis began by systematically compiling data obtained from interviews, field notes, and documentation. This involved organizing the data into categories, breaking them down into units, synthesizing them, arranging them into patterns, selecting what was important and what would be studied, and drawing conclusions that were easily understood by both the individual and others. Miles and Huberman, stated that activities in qualitative data analysis are carried out interactively and continue continuously until completion, so that the data is saturated.

1. Data Reduction

   Data reduction is a form of data analysis that summarizes, selects the main points, focuses on important points, and looks for themes and patterns. This reduced data provides a clearer picture and makes it easier for researchers to collect further data and search for additional information when needed.

2. Data Condensation

   Entering the next step, namely data condensation, will be described as follows:

   a. Selecting

      Researchers should be more selective in their actions to be able to determine which dimensions are considered important, then which relationships are more meaningful, and then this will act as a consequence of the information obtained, then collected, and finally analyzed according to Miles and Huberman.

b. Focusing

After the selection process, researchers must focus on data that is relevant to the research problem formulation. This stage is also referred to as a continuation of the various stages of data selection.

c. Abstracting

The next stage after selecting and analyzing data is the abstraction stage, or the stage of drawing conclusions, creating processes, and various statements that need to be maintained to stay on track. This stage serves to evaluate the collected data, particularly regarding its adequacy and quality.

d. Simpliying and Transforming

This stage serves to simplify and transform the results of research data by means of strict selection, briefly described and summarized, then the data is classified into a broader pattern.

3. Data Display

In qualitative research, data can be presented in the form of brief descriptions, charts, relationships between categories, flowcharts, and the like. Miles and Huberman state that narrative text is the most frequently used method for presenting data in qualitative research. This means that researchers present their research data in descriptive form.

4. Conclusion Drawing

According to Miles and Huberman, verification is drawing conclusions or verifying data. In this case, conclusions are new findings that have never existed before. Findings can be descriptions or depictions of an object that was previously dim or dark, but which become clear after investigation. They can be causal or interactive relationships, hypotheses, or theories.

The conclusions that can be drawn by researchers are after cross-checking other sources, either through interviews or documentation. Data presentation is an effort made to display the data obtained which has been organized, arranged in a relationship pattern so that it becomes information that is easy to understand.

G. Data Validity Techniques

Data validity checks are essential to ensure the resulting data is reliable and scientifically accountable. To verify data validity, researchers use triangulation techniques. Triangulation involves re-examining data before and after analysis. Types of triangulation include:

1. Source Triangulation

Developing and rechecking the level of trustworthiness of information obtained from different sources. For example, comparing observation results with interviews, comparing interview results with existing documents.

2. Data Triangulation

Data triangulation is used for data validity using various data sources such as documents, archives, interview results, observation results or also interviewing more than one subject who is considered to have a different point of view.

3. Triangulation Method

In an effort to check the validity of data or verify the validity of findings, method triangulation can be carried out by using more than one data collection technique to obtain the same data. This is done by comparing information or data in different ways.

This research uses source triangulation to test the credibility of the data by checking the data that has been obtained through several sources.

H. Research Stages

In this research, to ensure its implementation is directed and systematic, research stages were developed. According to Moleong, the research stages include three things:

1. Research planning stage

The pre-fieldwork phase is the initial stage undertaken by researchers, taking into consideration the fieldwork, from drafting a research proposal to preparing research equipment. During this phase, researchers are expected to understand the research background and thoroughly prepare themselves for entering the fieldwork.

2. Research implementation stage

In this stage, researchers try to prepare themselves to dig and collect data to make a data analysis, after collecting the data, the data is then collected and arranged.

3. Completion stage

At this stage, activities are carried out in the form of processing data obtained from sources and documents, then it will be compiled in the form of a scientific work, namely in the form of a thesis structure referring to the regulations for writing scientific papers at the Postgraduate Program of the State Islamic University of Kiai Haji Achmad Siddiq Jember.

3. Results & Discussion

Results

A. Seed Management Contract at PT East West Seed Indonesia in the Jember Region

The seed management contract implemented by PT East West Seed Indonesia (EWINDO) in the Jember region demonstrates a highly structured and calculated model of modern agribusiness partnership. Findings indicate that the company has not diversified its contract model but has instead adopted a uniform and binding nucleus-plasma partnership framework. This structure is built on the principle of strict reciprocity, in which the rights and obligations of both parties (the company and the farmers) are clearly defined to minimize risk and uncertainty (gharar). Farmers are required to provide land that meets strict isolation requirements, fully adhere to standard operating procedures (SOPs), and sell 100% of their seed harvest exclusively to the company. In return, farmers receive full assurance of production inputs such as superior seed sources, intensive technical assistance, and, most importantly, market certainty at pre-determined prices. This business model, which resembles an Istishna' (order-to-buy) contract, emphasizes that effective partnerships are based not only on trust but also on clear specifications, prices, and procedures agreed upon from the outset.

The contract at PT East West Seed Indonesia (EWINDO) in the Jember region serves as a management instrument that industrializes agricultural processes to achieve production efficiency and standardization. The key principles adopted are process standardization through detailed standard operating procedures (SOPs), ongoing supervision by field extension officers (PPL), and role specialization. The contract's central function is as a risk mitigation tool, where the company controls quality and technology risks, while farmers are protected from the risk of market price fluctuations. This approach transforms farmers from independent producers bearing all risks into production partners focused on executing standardized cultivation practices. This supports Raharjo's findings that successful nucleus-plasma partnerships are characterized by technical assistance and market guarantees, which can significantly increase production effectiveness and farmer income. Thus, the seed management contract at Ewindo serves as a comprehensive framework that engineers consistent hybrid seed production success through rigorous planning, organization, direction, and control, creating a mutually beneficial and sustainable business ecosystem.

Based on the results of this study, the seed management contract practices of PT East West Seed Indonesia (Ewindo) in the Jember region operate using a highly uniform and centralized system, namely through a nucleus-plasma partnership model. The facts show that there are no different contract models available to farmers; all partners are bound by a single framework, with differences only in specific technical attachments for each crop type. To become a partner, a farmer must meet fundamental, non-negotiable requirements: providing land that has passed strict verification, particularly isolation requirements to maintain the genetic purity of the seeds. Once accepted, farmers are required to hand over control of the cultivation process to the company by committing to following all standard operating procedures (SOPs) and selling 100% of their seed harvest exclusively to Ewindo. In return, farmers in the field receive a complete guarantee package that includes superior source seeds, intensive technical assistance from field extension officers (PPL), and a guaranteed pre-agreed purchase price for every crop that passes quality standards.

This partnership system effectively transforms farmers' work practices from conventional farming to an industrialized production process. The existing contract serves as a "recipe" or standard guideline to be followed, while the PPL acts as a quality supervisor and consultant, monitoring and correcting problems in real time. A clear specialization of roles occurs: Ewindo focuses on providing technology, seeds, and management, while farmers focus on implementing cultivation on their land. This contract becomes a vital multifunctional instrument. In practice, it serves as a tool for standardizing product quality, controlling risk (protecting farmers from price risk and the company from quality risk), and providing a clear framework for preventing disputes. Essentially, the primary function of this contract system is to engineer the consistent success of hybrid seed production, providing farmers with business certainty and economic security, ultimately fostering full commitment to implementing the company's designed production system.

PT East West Seed Indonesia's (Ewindo) contract, based on the principles of strict reciprocity, technical assistance, and market guarantees, aligns with previous research by Hidayatullah and Purnomo on partnership patterns among coffee farmers in Jember. In his study, he found that key factors that

significantly increased the income and sustainability of partner farmers' businesses were clear contracts, cultivation assistance from the core company, and guaranteed harvest absorption at a fair price. This confirms the findings at Ewindo, where farmers' obligations to comply with standard operating procedures (SOPs) are fully balanced with the right to receive technical guidance from Field Extension Officers (PPL) and certainty of purchase prices. Thus, the study provides supporting evidence that Ewindo's contract structure, which industrializes agriculture through standardization and supervision, is not an anomaly, but rather an implementation of an effective and proven nucleus-plasma partnership strategy within the agribusiness ecosystem in the Jember region to ensure product quality and create mutually beneficial relationships.

Based on the results of this study, there are several relevant theoretical recommendations for an in-depth analysis of the seed management contract model at PT East West Seed Indonesia (Ewindo) in the Jember region. First, Agency Theory is very appropriate to explain the relationship between the company (principal) and farmers (agents). In this case, detailed contracts along with intensive supervision by PPL serve as a mechanism to align interests and reduce information asymmetry, where the company ensures that agents (farmers) carry out cultivation according to SOPs to produce the desired quality output, an approach that aligns with the analysis of agency relationships in agribusiness partnerships to manage partner performance. Second, Transaction Cost Economics Theory can explain why Ewindo chose a rigid and uniform nucleus-plasma contract structure. This structure is a strategy to minimize transaction costs, such as negotiation, monitoring, and contract enforcement, by standardizing the entire process and reducing uncertainty and the potential for opportunistic behavior from both parties. The use of detailed SOPs and purchase guarantees is a form of efficient governance to secure a quality seed supply chain, where the institutional role in reducing transaction costs has proven crucial to the success of farming businesses.

B. Identification of Forms of Risk Control in Seed Management Contracts by PT East West Seed Indonesia in the Jember Region

Based on the results of this study, the identification of risk control mechanisms in seed management contracts by PT East West Seed Indonesia (Ewindo) in Jember demonstrates a comprehensive and multi-layered risk management architecture. From the company's perspective, risk control is proactively designed through the systematic identification of four key areas: technical-quality, agronomic-production, operational-behavioral, and market. In response, the company implements a series of stringent mitigation measures, starting with the initial selection of partners and land, the implementation of detailed standard operating procedures (SOPs) as quality control, intensive supervision by field extension officers (PPL) as an early detection system, and post-harvest quality control (QC) as the final verification gateway. One of the most important pillars of this architecture is the company's absorption of market risk through a price lock system, which effectively protects farmers from price volatility. This mechanism aligns with research showing that partnerships can significantly reduce farmer income risk compared to non-partnership patterns, primarily due to the price guarantee that provides economic certainty.

Risk management in the field is not a one-way street, but rather is realized through a strong synergy between the company's framework and the proactive actions of partner farmers. Key findings indicate that Ewindo's incentive and control model successfully empowers farmers to become independent risk managers. The primary form of risk management adopted by farmers is strict adherence to standard operating procedures (SOPs), seen as the most fundamental way to control quality risks and crop failure, and proactive communication with extension workers (PPL) to address technical issues quickly. The role of intensive mentoring by these PPLs has proven crucial in increasing farmers' capacity and discipline in implementing standardized cultivation practices, highlighting the importance of extension workers in the success of the partnership. Thus, Ewindo's effective risk management system is the result of an ecosystem in which the company manages macro risks (market and standards), while farmers are empowered and motivated to manage micro risks (technical and operational) to ensure their own income.

PT East West Seed Indonesia (Ewindo) implements a comprehensive and multi-layered risk management architecture to secure its seed production in Jember. The company has systematically identified four key risk areas: technical and quality (germination failure, genetic purity), agronomic production (weather, pests), operational and behavioral (non-compliance with SOPs, side-selling), and market risk (price fluctuations). To manage these risks, Ewindo has developed a synergistic control system. Internally, quality and production risks are mitigated through the implementation of stringent standard operating procedures (SOPs), intensive supervision by field extension officers (PPL) as an early detection system, and a post-harvest quality control (QC) process as the final verification gateway. Externally, to control partner behavioral and operational risks, the company strategically absorbs market risk entirely by providing a guaranteed purchase price locked in at the outset of the contract.

Field observations demonstrate that this risk management system is not a one-way street, but rather creates a synergy where partner farmers become proactive risk managers. In response to Ewindo's high quality standards and agronomic challenges such as weather, farmers consciously adopt two crucial forms of internal risk management. The first is technical control, demonstrated through strict adherence to every detail of standard operating procedures (SOPs), as this is considered the most fundamental way to prevent quality and financial failures. The second is information control, through proactive and collaborative communication with field extension officers (PPL) to quickly address technical issues before they escalate. The fact that farmers independently adopt these practices demonstrates that the company's incentive and guarantee framework has successfully encouraged farmers to take full responsibility for the success of their production, creating a stable and resilient nucleus-plasma partnership ecosystem.

The identification of risk management mechanisms in seed management contracts operated by PT East West Seed Indonesia (Ewindo) in Jember can be comprehensively analyzed using a risk management framework that incorporates Darmawi's theory. The most prominent practice is risk transfer, where farmers fully transfer the risk of market price volatility to the company through a locked-price contract system. Furthermore, risk control strategies are a key pillar implemented synergistically; Ewindo implements control through standardized processes (SOPs) and intensive supervision by PPLs, while from the farmer's perspective, risk control manifests itself in the form of extreme discipline in following SOPs and proactive communication with PPLs to prevent quality and production failures. Furthermore, Ewindo also implements risk avoidance at the initial stage by conducting very strict selection and feasibility assessments of land and potential partners to avoid inherent risks that cannot be managed. Finally, farmers actively implement risk retention against production risks (potential QC failures), but they retain these risks with full awareness and manage them independently through adherence to SOPs, proving that the company's risk management architecture successfully encourages farmers to become independent risk managers to secure their income.

This research develops from previous research on risk management in agribusiness partnerships showing patterns that are in line with practices at PT East West Seed Indonesia (Ewindo). For example, research by Ilham and Harianto (on tobacco farmers in Jember) found that partner farmers actively managed production risks by following technical recommendations and guidance from partner companies. This finding is very consistent with the conditions in seed management contracts at Ewindo, where risk identification and control are an integrated, layered system. Ewindo systematically identifies technical, production, behavioral, and market risks, then implements synergistic controls between the company and farmers. The company's most fundamental form of risk control is to fully absorb market risks by providing a fixed price guarantee (price lock), which strategically encourages farmers to focus on risk mitigation at the field level. In response, partner farmers proactively carry out their own risk control through two main actions: extreme discipline in adhering to Standard Operating Procedures (SOPs) to control quality risks, and intensive communication with field extension officers (PPL) to control production risks. Thus, the risk management architecture at Ewindo successfully creates an ecosystem where farmers are motivated to become independent risk managers to guarantee their own income, which ultimately stabilizes the entire seed supply chain.

Discussion

The findings of this study reinforce the view that Islamic economics is not merely an alternative economic system, but rather a scientific paradigm with a comprehensive philosophical structure. Ontologically, these results are in line with the thoughts of Al-Ghazali and Ibn Khaldun, who positioned economic activities as part of humanity's spiritual mission (Muhaya, 2015). In practice, this ontological approach encourages business orientations that emphasize barakah (divine blessings) and social responsibility, rather than mere capital accumulation.

From an epistemological perspective, this research supports Kızılkaya's (2020) argument that the epistemology of Islamic economics creates a unique space for the integration of revealed texts and human rationality. These findings contrast with the epistemology of Western economics, which tends to be positivistic and often neglects ethical values. Therefore, this approach not only offers an alternative but also serves as a corrective to the reductionism inherent in modern economic theory.

Axiologically, the research shows that values such as justice and equitable distribution of wealth are central orientations. This strengthens the study by Shabri et al. (2021), which emphasizes the importance of a value system in sustainable economic development. In the context of Indonesia, these values are highly relevant in addressing issues of structural poverty and social inequality. This study broadens the understanding that economic success should not be measured solely by financial indicators but also by spiritual and social metrics.

These findings contribute theoretically by strengthening the position of Islamic economics as a multidimensional science grounded in the philosophy of knowledge. Practically, the study highlights the importance of integrating philosophical values into the development of Islamic economics curricula in higher education, as well as into the formulation of public policies based on Islamic values. The main challenge moving forward is how to bridge the gap between philosophical idealism and technical implementation in the Islamic financial sector, where many products comply formally with Sharia but do not fully reflect the values of social justice.

Therefore, further research is recommended to conduct field studies on the implementation of these values in Islamic financial institutions, Sharia-based cooperatives, and pesantren-based MSMEs. A phenomenological or case study approach would enrich the understanding of how ontological, epistemological, and axiological values are actualized within the socio-economic realities of Muslim communities.

4. Conclusion

The Based on the results of the data presentation which were then analyzed and discussed as mentioned, the following conclusions can be drawn;

1. The seed management contract at PT East West Seed Indonesia (Ewindo) in the Jember region does not apply diverse models, but rather adopts a single, uniform and highly structured framework, namely the nucleus-plasma partnership pattern. This system is based on the principle of strict reciprocity, where farmers' obligations to provide land according to requirements, fully follow standard operating procedures (SOPs), and sell 100% of their harvest exclusively, are balanced with the right to obtain superior source seeds, intensive technical assistance from field extension officers (PPL), and market guarantees at predetermined prices. Essentially, Ewindo industrializes the agricultural process through three main pillars: standardization (detailed SOPs), supervision (control by PPL), and role specialization. Thus, this contract functions more than just a legal agreement, but rather as a multi-functional management instrument that aims to engineer the success of consistent quality seed production by standardizing quality, controlling risk (where the company absorbs price risk and farmers manage production risk with guidance), providing a clear framework to prevent conflict, and providing legal and economic certainty to foster full commitment from partner farmers.
2. The forms of risk control in the seed management contract by PT East West Seed Indonesia in the Jember region are identified as an integrated, layered, and synergistic risk management architecture between the company and partner farmers. The risk identification process is carried out systematically in four stages (initial assessment, routine monitoring of PPL, periodic data analysis, and post-harvest evaluation) covering four main areas: technical/quality risk, agronomic production risk, operational/partner behavior risk, and market/economic risk. The form of risk control is manifested in two main frameworks: internal control that focuses on the product through standard operating procedures (SOPs) and strict quality control (QC), and external control that focuses on producers (farmers) by absorbing market risk through a locked-in price system and exclusivity clauses to manage behavioral risk. Synergistically, the company implements layered proactive control measures that include partner selection, provision of SOPs, PPL supervision, and price guarantees, while partner farmers disciplinedly adopt their own internal risk controls in the form of strict adherence to SOPs and proactive communication with PPL. This combination proves that Ewindo's partnership model not only comprehensively mitigates risks, but also effectively encourages farmers to become independent risk managers to secure their own financial stability.

5. Reference

Abdulkadir, Muhammad. 1982. Hukum Perikatan. Bandung: Penerbit Alumni.

Alimuddin. 2020. Praktek Musaqah dalam Masyarakat Aceh Utara (Suatu analisis Perspektif Hadits). Aceh Utara: Jurnal Penelitian Sosial Agama, 2

Andika, Reza. 2023. Tinjauan Fiqih Muamalah Terhadap Pola Kemitraan Antara Koperasi Dan PT. Alam Jaya Persada (Studi di Kelurahan Handil Baru Kecamatan Samboja Kabupaten Kutai Kartanegara). Journal of Islamic Economic Law, UINSI Samarinda, 1

Arianti, Farida. 2014. Fiqih Muamalah II. Batu Sangkar: STAIN Batusangkar Press.

Asiyanto, 2008. Manajemen Risiko. Jakarta: Pradnya Paramita.

Badrul Zaman, Mariam Darus. 1982. Pendalaman Materi Hukum Perikatan. Medan: Penerbit Fakultas Hukum USU.

Cahyani, Rizki Dwi. 2021. Pola Kemitraan Berbasis Modal Sosial Dalam Meningkatkan Pendapatan Masyarakat (studi kasus pada KUB Griya Kreatif Desa Kedungwiringin Kec.Jatilawang Kab. Banyumas. Tesis: Institut Agama Islam Neger Purwokerto.

Darmawi, Herman. 2011. Manajemen Risiko. Jakarta: Bumi Aksara.
Departemen Agama RI. 2014. Al-Qur'an Terjemahan & Tajwid. Bandung: PT Sygma Examedia Arkanleema.
Hanafi, M. Mamduh. 2007. Manajemen Risiko. Jakarta : Universitas Terbuka
Harahap, M. Yahya. 1982. Segi-Segi Hukum Perjanjian. Bandung: Penerbit Alumni.
Huberman, Miles. 2014. Qualitative Data Analysis: A Method Sourcebook. California: SAGE Publication.
Imbar. 2020. Implementasi Akad Musaqah Pada Sektor Pertanian Kakao Di Desa Lembah Subur Kecamatan Dagia Kabupaten Koala Timur Sulawesi Tenggara. Jurnal Ekonomi Bisnis Syariah, 2
Linisawara. 2008. Dasar-Dasar Pemasaran. Jakarta: Prenhallindo.
Mekhofer, M. 1987. Manajemen Risiko dan Keselamatan Kerja. Jakarta: Penerbit ABC.
Mudatsir, Rasdiana. 2022. Peran Kemitraan Petani Dengan PT. Sang Hyang Seri Terhadap Peningkatan Petani Di Kabupaten Sidrap. Jurnal Galung Tropika, 2
Muslich, Ahmad Wardi. 2005. Fiqh Muamalah. Bandung: Pustaka Setia.
Nita, Shania Verra. 2020. Kajian Muzara'ah dan Musaqah (Hukum bagi Hasil Pertanian
Okta Frida, Catharina Vista. 2020. Ekonomi Syariah Pengantar Ekonomi Islam. Yogyakarta: Garudhawaca
Poerwadarminta, W.J.S. 1996. Kamus Besar Bahasa Indonesia. Jakarta: Balai Pustaka.
Priyadi, Unggul. 2015. Pelaksanaan Perjanjian Bagi Hasil Pertanian Lahan Sawah. Jurnal Ilmu Ekonomi Pembangunan, 1
Prodjodikoro, Wirjono. 1985. Hukum Perdata Tentang Persetujuan – persetujan Tertentu. Bandung: Penerbit Sumur.
Rahmat, Dian Nurdiani. 2021. Tinjauan Pelaksanaan Musaqah Menurut Imam Syafi'i. Jurnal Keuangan Dan Perbankan Syariah, 2
Sabiq, Sayyid. 1987. Fiqih Sunnah. Bandung: PT.Alma'arif.
Saly, Jeane Neltje. 2001. Usaha Kecil Penanaman Modal Asing Dalam Perspektif Pandangan Internasion Al. Jakarta: Badan Pembinaan Hukum Nasional.
Subekti, R. 1976. Aspek-Aspek Hukum Perikatan Nasional. Bandung: Penerbit Alumni.
Sukardi, A. 2020. Manajemen Risiko Bisnis. Yogyakarta: Penerbit GHI.
Sukotjo, Ibnu. 2007. Pengantar Bisnis Modern. Yogyakarta: Liberty.
Suradistra, Kedi. 2010. Peningkatan Daya Saing Agribisnis Berorientasi Kesejahteraan Petani. Bogor: Jurnal Pusat Ekonomi Pertanian, 2
Susanti, Nany Ela. 2015. Kemitraan PT East West Seed Indonesian Dengan Petani Dalam Usahatani Benih Waluh Di Desa Tegalrejo Kecamatan Tegalsari Kabupaten Banyuwangi. Tesis Universitas Jember.
Sutopo. 2002. Teknologi Benih. Jakarta: PT. Raja Grafindo Persada.
Syahrizal, Abbas. 2008. Manajemen Perguruan Tinggi. Jakarta: Kencana.
Syaickhu, Ahmad. 2020. Analisis akad Muzara'ah dan Musaqah. Jurnal dinamika Ekonomi Syariah, 2
Terry, George R. 2012. Prinsip-Prinsip Manajemen. Jakarta: Bumi Aksara.
Utami, Neni. 2023. Penerapan Manajemen POAC (Planning, Organizing, Actuating Dan Controlling) Pada Usaha Dawet Semar Di Kabupaten Blitar. Jurnal Penelitian Ekonomi Manajemen dan Bisnis (JEKOMBIS), 2
Veithzal, Rivai. 2010. Manajemen Sumber Daya Manusia. Bandung: Alfabeta.
Wulandari, Maria Winanda. 2020. Pengaruh Kemitraan Terhadap Kondisi Sosial Ekonomi Petani Dan Lembaga Mitra (Suatu Kasus Di Asosiasi Aspakusa Makmur). Diponegoro: Universitas Kristen Satya Wacana Indonesia.
Yin, Robert K. 2011. Qualitative Research : From Start to Finish. New York : Guidford Press.
Yusuf, A. Muri. 2016. Metode Penelitian Kuantitatif, Kualitatif & Penelitian Gabungan. Jakarta : Prenada Media.