

## Enhancing Consumer Interest through Salam Contract Implementation in Sharia-Based Poultry Agribusiness

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**Abstract:** This study examines the impact of implementing Salam contracts on consumer interest in the poultry agribusiness sector, specifically at Chicken Jaya Poultry Farm in Karang Duwak, Arosbaya. The Salam contract, a pre-paid sales agreement with future delivery, has emerged as a Sharia-compliant financing model that reduces risks and enhances transaction transparency in agricultural businesses. The research employs a qualitative approach, using triangulation to gather data through in-depth interviews, direct observations, and documentation. Findings indicate that the implementation of Salam contracts has significantly contributed to increased consumer loyalty, fostered greater transparency between producers and consumers, and stabilised product prices. Furthermore, the study highlights the potential of Salam contracts to improve consumer trust and satisfaction, offering a viable alternative to conventional financing methods in agribusiness. This research contributes to the growing body of literature on the practical applications of Salam contracts in small-scale agricultural enterprises, suggesting that such contracts could be an effective tool for enhancing consumer engagement and trust in agricultural sectors.

**Keywords:** Salam contract; consumer interest; Islamic economic transactions; poultry agribusiness; Sharia-compliant trade

**Abstrak:** Penelitian ini mengkaji dampak penerapan kontrak Salam terhadap minat konsumen di sektor agribisnis unggas, khususnya di Peternakan Unggas Chicken Jaya di Karang Duwak, Arosbaya. Kontrak Salam, yang merupakan perjanjian penjualan prabayar dengan pengiriman di masa depan, telah muncul sebagai model pembiayaan yang sesuai syariah yang mengurangi risiko dan meningkatkan transparansi transaksi dalam bisnis pertanian. Penelitian ini menggunakan pendekatan kualitatif, dengan triangulasi untuk mengumpulkan data melalui wawancara mendalam, pengamatan langsung, dan dokumentasi. Temuan menunjukkan bahwa penerapan kontrak Salam telah secara signifikan berkontribusi pada peningkatan loyalitas konsumen, meningkatkan transparansi antara produsen dan konsumen, serta menstabilkan harga produk. Selain itu, studi ini menyoroti potensi kontrak Salam dalam meningkatkan kepercayaan dan kepuasan konsumen, menawarkan alternatif yang layak bagi metode pembiayaan konvensional dalam agribisnis. Penelitian ini berkontribusi pada perkembangan literatur tentang penerapan praktis kontrak Salam dalam usaha pertanian skala

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*kecil, menyarankan bahwa kontrak semacam ini dapat menjadi alat yang efektif untuk meningkatkan keterlibatan dan kepercayaan konsumen di sektor pertanian.*

**Kata Kunci:** *Kontrak Salam; kepentingan konsumen; transaksi ekonomi Islam; agribisnis unggas; perdagangan yang sesuai syariah*

## Introduction

The increasing demand for ethical business practices in various sectors, particularly in trade and agriculture, has driven the adoption of Islamic economic principles. Among these principles, the Salam contract—a prepaid sales agreement recognised under Islamic jurisprudence—has garnered attention as an effective model for risk-sharing and equitable transactions (Amin et al., 2022). These contracts are particularly relevant in industries characterised by production uncertainty, such as agriculture and livestock, where delivery is scheduled for future dates. As global food systems shift toward sustainable models, the potential of Islamic contracts to integrate ethics, faith, and commerce continues to gain relevance (Abdul-Rahman et al., 2021).

In agribusiness, producers often struggle with market unpredictability, price fluctuations, and financing constraints. Salam contracts offer a mutually beneficial solution by providing farmers with upfront capital while assuring buyers of future product delivery at predetermined prices and conditions (Azmi & Huda, 2023). This financing method reduces the risk borne by producers and establishes trust-based relationships between sellers and buyers (Sahwan, 2022). For Muslim-majority communities, it also aligns with their religious values and provides an alternative to conventional, interest-based funding systems (Rahim & Mahadi, 2020).

While Salam contracts hold significant theoretical appeal, empirical research on their practical application remains scarce. Most studies have focused on large-scale agribusiness operations or financial institutions, with less attention given to micro-enterprises and local farmers (Nasution & Syahputra, 2022). Additionally, the impact of Salam contracts on consumer preferences and decision-making in real-world trading contexts remains underexplored. Bridging this gap is crucial for fostering inclusive Islamic financial systems that support rural economies and small-scale producers (Mustofa et al., 2023).

Consumer interest is a critical factor in the success of agricultural enterprises. It encompasses not only the willingness to purchase but also loyalty, satisfaction, and perceived value (Maulana et al., 2021). In Islamic economic theory, transactions are not only financial interactions but moral engagements. Thus, contracts such as salam are expected to fulfil both economic utility and ethical obligations (Hassan et al., 2020). However, it remains unclear whether these contracts positively impact consumer attitudes or whether other social, cultural, and economic factors are more influential.

The context of layer poultry farming provides a suitable setting to examine this issue. Egg producers frequently face seasonal production variability and market volatility, making them potential beneficiaries of salam-based financing mechanisms (Fauzi et al., 2023). Furthermore, consumer expectations related to price stability, delivery reliability, and ethical sourcing increasingly shape purchasing behaviour. Studying the intersection between Islamic contract practices and these consumer concerns can yield insights into the operationalisation of Sharia principles in practical agribusiness settings.

Chicken Jaya Poultry Farm in Arosbaya represents a locally grounded enterprise attempting to align its operations with Islamic financial ethics. By adopting salam contracts, the farm engages in forward selling with its customers, promising future delivery of eggs in exchange for advance payments. This system allows the business to secure working capital and stabilise its production flow while offering consumers a more predictable purchasing experience. Yet, the impact of this arrangement on consumer interest—measured in loyalty, repeat purchases, and satisfaction—has not been systematically studied.

This research is framed by a dual focus: first, to explore the implementation process of salam contracts at Chicken Jaya; and second, to assess the extent to which these contracts affect consumer interest in the farm's products. It examines both the managerial decisions behind adopting the contract and the consumer response to the contractual terms. This investigation aims to bridge the theoretical potential of Islamic finance with empirical realities in micro-agricultural settings (Yusoff & Ibrahim, 2022).

Ultimately, this study contributes to the growing body of literature on Islamic financial instruments and their real-world applications in agricultural enterprises. It

provides empirical evidence on the relevance and performance of salam contracts in promoting consumer interest, thereby offering policy recommendations for Islamic financial institutions, farmers, and regulators. It also highlights the importance of aligning religious principles with practical market mechanisms to support ethical, resilient, and community-based economic development (Rahman et al., 2024; Zulkifli et al., 2023).

## Research Method

This study adopts a **qualitative case study approach**, which is particularly suitable for exploring complex, context-dependent phenomena, like the implementation of Salam contracts, in a **Sharia-based poultry agribusiness** setting. A qualitative approach is chosen for its ability to capture in-depth insights into human behavior, social practices, and perceptions in natural contexts, making it ideal for understanding how the contract is perceived by consumers and implemented by producers (Creswell & Poth, 2018) By focusing on a single case—Chicken Jaya Layer Poultry Farm in Karang Duwak, Arosbaya—the study aims to capture the complexity of contract implementation and consumer response in a specific socio-religious environment.

Data were collected through three triangulated methods: Semi-structured interviews: Conducted with key informants, including the farm owner and repeat consumers who engage in Salam contracts. Interview questions focused on exploring participants' understanding, motivations, and experiences related to trust, satisfaction, and loyalty. Direct observation: Observations were made during the farm's daily operations, particularly focusing on transaction processes, communication, and adherence to delivery schedules. Document analysis: Relevant documents such as contract agreements, payment receipts, and delivery logs were reviewed to corroborate the interview and observational data. Additionally, written records such as contract agreements, payment receipts, and delivery logs were collected to support the validity of the findings.

Participants were selected using purposive sampling to ensure that they had direct experience with the Salam contract system. The farm owner was chosen due to their in-depth knowledge of the contract's implementation. Consumers were selected

based on their participation in at least two Salam-based transactions, ensuring they could provide informed perspectives on their experiences. Inclusion was also based on the participants’ willingness to engage in the study. (Etikan et al., 2016). The inclusion criteria for consumers were those who had engaged in at least two Salam-based transactions and expressed willingness to participate. Ethical considerations were addressed by obtaining informed consent and ensuring confidentiality throughout the research process.

Table 1. Research Instrument Grid

Research Focus	Indicator	Data Source	Data Collection Technique
Implementation of the Salam Contract	- Mechanism of advance payment	Farm owner, transaction	Interview, Documentation
	- Contract terms and conditions		
	- Delivery process and schedule adherence	Farm owner, consumers	Interview, Observation
Transparency and Trust	- Clarity in contract agreements	Farm owner, consumers	Interview, Observation
	- Communication of risks and benefits		
Consumer Interest and Satisfaction	- Repeat purchases	Consumers	Interview
	- Consumer perception of fairness and ethics		
	- Satisfaction with price stability and product quality	Consumers	Interview
Contractual Impact on Business Sustainability	- Use of Salam funds for production planning	Farm owner	Interview, Documentation

Research Focus	Indicator	Data Source	Data Collection Technique
	- Reduced financial pressure		

Data analysis followed the framework established by Miles and Huberman (1994), which includes data reduction, data display, and conclusion drawing. Data reduction involved summarising and categorising responses according to emerging themes such as transparency, reliability, and consumer interest. Visual matrices and narrative summaries were used in the data display stage to organise insights from various sources. Conclusions were drawn through iterative coding and thematic comparison, allowing patterns and relationships to emerge naturally from the data.

To enhance trustworthiness, the study employed triangulation of data sources and methods, ensuring that findings were not reliant on a single perspective (Patton, 2015). Member checking was also conducted by presenting preliminary results to participants for feedback and verification. This reflexive process contributed to the credibility and confirmability of the research outcomes.

## Results and Discussion

### Implementation of the Salam Contract at Chicken Jaya

At Chicken Jaya Poultry Farm, the Salam contract is implemented through a full advance payment system by consumers, guaranteeing egg delivery on a predetermined date based on mutually agreed specifications. This prepayment not only secures the delivery schedule but also enables better financial planning, as it provides the farm with cash before production begins. The terms regarding product quality, quantity, price, and delivery are clearly outlined in a simple contract document, which helps avoid future disputes.

According to the farm owner, this contract system has improved financial planning by ensuring cash availability before production begins. By knowing the number of orders and delivery dates in advance, the farm can manage feed, labour, and logistics more efficiently. The Salam model thus contributes to smoother

production cycles and better supply chain management. Interview data confirms that such planning benefits the overall business flow.

The Salam contract terms used by Chicken Jaya are adapted to local practices but still follow Sharia principles. The contract is executed orally first and then followed up in writing, with clear documentation retained by both parties. Product specifications such as egg weight and size are agreed upon upfront. Consumers are given the opportunity to discuss adjustments before signing.

Most contracts specify a delivery time of one to two weeks post-payment. This delivery window allows the farm to manage its inventory and cater to seasonal demand variations. One informant stated, "We agree that the eggs will be delivered every Friday. So I prepare accordingly, and they never fail." This shows the alignment of production flow with customer expectations.

The documentation process includes a payment receipt and a delivery note. These documents ensure transparency and accountability in the transaction. If delays or quality issues arise, both parties refer back to the original agreement. This formal structure reduces misunderstandings and promotes trust.

Consumers usually initiate contact to place orders through WhatsApp or a phone call. The owner confirms availability and then sends the contract draft via digital messaging. This blend of digital communication and traditional trust strengthens the buyer-seller relationship. It also enhances transactional efficiency.

One strength of the Salam contract is its role in reducing price uncertainty. By locking in prices at the start of the transaction, both parties avoid the impact of market price fluctuations. As reported by one customer, "I don't need to worry if egg prices suddenly rise during Ramadan. I already paid for it." This fixed-price feature is especially valued in volatile markets.

The farm avoids dealing with intermediaries by selling directly to consumers through Salam contracts. This direct trade mechanism minimises supply chain costs and maximises profits. It also increases customer engagement with the producer, fostering loyalty. This approach aligns with the Sharia principle of eliminating unnecessary middlemen.



To maintain compliance with Islamic principles, Chicken Jaya avoids interest-bearing loans and instead relies on prepayment through Salam. The farm views this as a spiritually beneficial practice. As stated by the owner, "We want halal income, and this contract helps us keep everything clean and clear." This indicates that religiosity plays a significant role in contract adoption.

The use of Salam contracts also allows for production scaling. With assured payments, the farm has invested in additional layer hens and feed storage. This has resulted in improved output capacity and timely deliveries. Customers benefit from a more consistent supply of fresh eggs.

In summary, the implementation of the Salam contract at Chicken Jaya is both structured and adaptive. The system supports operational stability, risk mitigation, and Sharia compliance. It combines traditional values with modern communication tools. Table 1 below summarises the contractual elements of Salam as implemented at the farm.

*Table 2. Core Elements of Salam Contract Implementation at Chicken Jaya Poultry Farm*

Contract Element	Description
Payment Terms	100% upfront payment before production begins
Product Specification	Medium to large chicken eggs (55–65g), brown shells
Delivery Schedule	Weekly or bi-weekly, specified in advance
Price Agreement	Fixed at start, regardless of market fluctuation
Communication Channel	WhatsApp and telephone confirmation
Documentation	Written contract, receipt, and delivery note
Sharia Compliance	No interest, no uncertainty (gharar), full clarity in agreement



### **The Impact of Salam Contracts on Consumer Interest**

Consumer interviews revealed a strong preference for the Salam-based system, particularly due to the assurance of fixed prices. In an era of frequent price volatility, especially for staple goods like eggs, this stability was highly valued. A recurring comment from participants was the comfort derived from knowing exactly how much they would pay regardless of market fluctuations. This predictability was especially important for consumers purchasing in bulk for resale or home industries. Timely delivery emerged as another factor influencing consumer interest. Participants reported that the promised schedule was mostly fulfilled, and even when it wasn't, the farm's communication and willingness to compensate or reschedule made them feel respected.

Transparency in transactions was also consistently mentioned. Consumers appreciated receiving detailed information up front and said this enhanced their perception of fairness and honesty—two critical pillars in Islamic economic conduct. Trust was a theme that appeared in nearly every interview. Many consumers indicated that their confidence in the farm owner's integrity motivated their repeat purchases. Trust was built not only through words, but through consistent actions—punctual deliveries, fair pricing, and honest communication.

Furthermore, ethical compliance with Islamic principles played a significant role. Some consumers expressed satisfaction that their purchase did not involve prohibited elements like *riba* or uncertainty (*gharar*), and this alignment with their values enhanced their loyalty. Repeat purchases were notably common. Several respondents had used the Salam contract for multiple cycles of egg deliveries, citing the system's reliability and perceived blessings (*barakah*) as motivations.

The psychological sense of peace (*itmi'nan*) experienced by consumers, which stems from participating in transactions compliant with Sharia, was described as part of the benefit—even if intangible. This emotional security strengthens loyalty more effectively than mere price competition. A few respondents compared their experiences with conventional market systems, noting that while the Salam system required full payment up front, it offered far more assurance in return.

Consumers emphasized the importance of clear communication with the farm owner as a key factor in building trust. Having a single point of contact who is responsive and transparent not only fosters trust but also strengthens consumer loyalty, as it makes buyers feel respected and valued. Having a single point of contact who is responsive and transparent contributed to a sense of personal connection.

The pie chart below visualizes the primary motivations expressed by consumers:

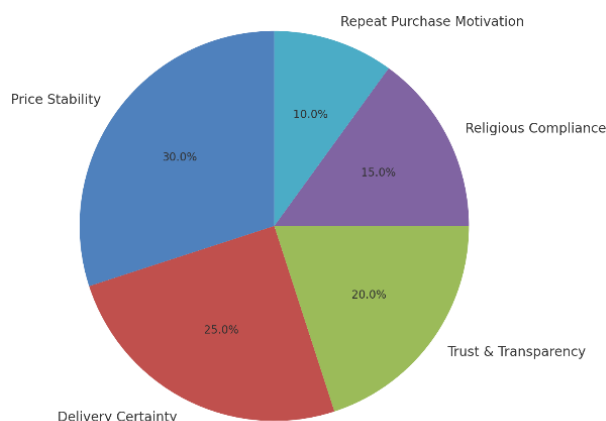


Figure 1. Consumer Motivations for Engaging in Salam Contracts (n 30)

This distribution underscores that while economic factors like price stability and delivery certainty matter, religious values and ethical considerations are equally influential in shaping consumer interest.

Some consumers reported a greater sense of fairness in the Salam arrangement. They appreciated that the producer gets fair compensation while they receive quality goods. This win-win feeling encourages long-term commitment. Such sentiments are rarely found in traditional market purchases. The Salam system reduces the emotional stress associated with bargaining and price volatility. This contributes to a calmer and more satisfying shopping experience. Buyers find peace of mind in the arrangement. Emotional comfort enhances overall interest.

In aggregate, consumer interest is not merely economic—it includes ethical and spiritual dimensions. The combination of financial predictability, halal assurance, and personal trust creates a strong value proposition. Table 3 presents indicators of consumer interest observed in the study (n:30).

Table 3. Indicators of Consumer Interest in Salam Contract Transactions

Indicator	Description
Repeat Purchases	≥70% of consumers place repeat orders monthly
Price Satisfaction	80% satisfied with fixed pricing system
Delivery Timeliness	90% report on-time delivery as scheduled
Ethical Satisfaction	85% feel peace of mind due to Sharia compliance
Recommendation Rate	60% recommend to friends/family

Challenges and Strategic Development of Salam Contracts

Despite the overall success of the Salam implementation, the Chicken Jaya farm faces several challenges, the foremost being production uncertainty. Factors like disease outbreaks, weather changes, or supply disruptions occasionally interfere with scheduled deliveries.

To mitigate this risk, the owner maintains a buffer stock of egg production and regularly monitors the health of the laying hens. Feed quality and coop hygiene are strictly maintained to ensure consistent output. When disruptions occur, the farm’s strategy is to communicate early with consumers. Rather than wait until delivery fails, the team reaches out in advance to propose alternative solutions, such as postponement or partial delivery. Another challenge is scaling the Salam system. While the current consumer base is manageable, expanding the number of contracts would require enhanced administrative tools and possibly additional staffing for record-keeping and logistics coordination.

The farm is considering technological solutions to overcome scaling challenges. These include digital contract templates to streamline contract management and mobile accounting apps to improve financial record-keeping and inventory tracking. These tools will help reduce administrative burdens, improve operational efficiency,

and enable the farm to expand while maintaining quality service. This would also improve documentation for audit or Islamic financing eligibility.

Consumer education is a priority, as not all potential customers understand the benefits of Salam contracts. To address this, the farm holds informal educational sessions during deliveries and shares WhatsApp broadcast messages to explain how Salam contracts provide financial stability and align with Islamic values. The farm also plans to expand outreach by collaborating with local mosques and community groups to ensure more consumers are informed about the advantages of engaging in Sharia-compliant transactions.

Market competition presents an indirect challenge. While some competitors may offer lower prices through conventional means, the farm differentiates itself through ethical integrity and reliability. Nevertheless, price-sensitive consumers sometimes waver. To address this, the farm offers value bundles—larger quantities at slightly reduced rates—and emphasizes the stability and ethical benefit of Salam transactions in its marketing. Collaboration with local mosques and cooperatives is under way to expand outreach. These community institutions can serve as intermediaries for group-based Salam contracts, further reducing risk and enhancing collective benefit. From a regulatory perspective, the farm expressed interest in receiving support from local Islamic finance institutions. If mechanisms like micro takaful (Islamic insurance) or certification support were available, they could bolster the sustainability of the Salam model.

Finally, while consumer satisfaction is high, the farm is considering implementing periodic feedback surveys to gather structured input and continue improving the contract experience.

## Discussion

This study explores the practical implementation of the Salam contract, a key Islamic financing instrument grounded in principles of risk-sharing, justice, and equity in transactions, as outlined in Bai Salam contracts. According to Islamic economic theory, such contracts seek to eliminate gharar (uncertainty) and maysir (speculation), ensuring fairness for both buyers and sellers (Ayub, 2009). The findings from Chicken

Jaya Poultry Farm provide valuable insights into how these principles are applied in a modern agricultural setting and offer a practical demonstration of how Sharia-compliant financial instruments can support sustainable business practices.

Linking the findings of this study to existing literature, it is evident that the Salam contract is not only an effective financial tool but also a means of fostering trust and transparency in business transactions. This study builds on previous research by Kartika et al. (2023), who found that Sharia-compliant contracts enhance consumer loyalty by aligning business practices with religious values. Furthermore, the application of Salam at Chicken Jaya also supports the findings of Alfatakh (2008), who argued that such contracts contribute to financial inclusion by offering small-scale producers access to capital without the need for interest-based loans.

#### **Implementation of the Salam Contract in Chicken Jaya: Operational and Ethical Dimensions**

The implementation of the Salam contract at Chicken Jaya demonstrates how Sharia-compliant financing can be effectively integrated into the agricultural sector. By requiring full upfront payment for future delivery of eggs, the farm aligns with the classical definition of Bai Salam, which ensures the elimination of uncertainty (gharar) and speculation (maysir) in financial transactions (Ayub, 2009). This practice not only adheres to Islamic jurisprudence but also provides the farm with the **immediate capital** needed to support production, while simultaneously ensuring **ethical business practices** by maintaining transparency and fairness (Ayub, 2009). This approach not only ensures compliance with Islamic jurisprudence but also provides the producer with immediate capital to support production activities.

Operationally, the Salam contract facilitates better financial planning and resource allocation for Chicken Jaya. The certainty of payment allows for the procurement of feed, maintenance of facilities, and other operational needs without resorting to interest-based financing, which is prohibited in Islamic finance (Hassan, 2007). Moreover, the predefined terms regarding quantity, quality, and delivery schedule minimize disputes and enhance trust between the producer and the buyer.

Ethically, the Salam contract embodies the principles of mutual benefit and risk-sharing. The buyer assumes the risk of price fluctuations, while the seller commits to delivering the specified goods at the agreed time. This arrangement reflects the Islamic economic principle of justice and equity in transactions (Alfatakh, 2008). Furthermore, it promotes financial inclusion by providing small-scale farmers access to capital without engaging in prohibited interest-based loans.

The successful implementation of the Salam contract at Chicken Jaya also demonstrates the adaptability of traditional Islamic financial instruments to contemporary business models. By formalizing agreements and maintaining transparent records, the farm mitigates risks associated with informal arrangements and enhances accountability. This modern application of a classical contract underscores the relevance of Islamic finance principles in today's economic landscape (Nzibo, 2000).

In conclusion, Chicken Jaya's use of the Salam contract illustrates a harmonious blend of religious adherence and practical business acumen. It serves as a model for other agricultural enterprises seeking Sharia-compliant financing solutions that are both ethical and effective.

### **Influence of the Salam Contract on Muslim Consumer Behavior**

The adoption of the Salam contract at Chicken Jaya has significantly influenced consumer behavior, especially among Muslim customers who prioritize Sharia-compliant transactions. The fixed prices and assurance of timely delivery inherent in the Salam contract contribute to consumer trust and loyalty. The clarity and transparency of the contract—detailing terms, conditions, and delivery schedules—also help reduce ambiguity and potential conflicts, fostering long-term relationships between the farm and its customers (Kartika et al., 2023). This trust is further reinforced by the transparency and fairness inherent in the Salam contract, which stipulates clear terms and conditions, thereby reducing ambiguity and potential conflicts.

Religiosity plays a significant role in shaping consumer attitudes towards halal products. Studies have shown that higher levels of religiosity correlate with increased

awareness and preference for halal-certified goods (Rafiki et al., 2024). In the context of Chicken Jaya, the implementation of the Salam contract resonates with consumers' religious values, thereby enhancing their purchase intention and fostering brand loyalty.

Moreover, the ethical considerations embedded in the Salam contract appeal to consumers' desire for socially responsible consumption. The contract's emphasis on fairness, risk-sharing, and avoidance of exploitation aligns with the moral values upheld by many Muslim consumers (Lazuardy & Hidayat, 2023). This alignment between business practices and consumer ethics contributes to a positive perception of the brand and encourages repeat patronage.

The influence of the Salam contract extends beyond individual consumer behavior to broader market dynamics. By differentiating itself through Sharia-compliant practices, Chicken Jaya taps into a niche market segment that is both growing and under-served. This strategic positioning enables the farm to capture market share and build a competitive advantage in the halal food industry (Nurhasanah & Hariyani, 2023). In summary, the Salam contract not only fulfills religious obligations but also serves as a strategic tool for market differentiation and consumer engagement. Its implementation at Chicken Jaya demonstrates the potential of Islamic financial instruments to influence consumer behavior positively and drive business success.

### **Challenges and Strategic Development of Salam Contracts in Agricultural Enterprises**

Despite the benefits, the implementation of the Salam contract in agricultural settings like Chicken Jaya is not without challenges. One significant issue is the inherent risk associated with agricultural production, such as crop failure, disease outbreaks, or adverse weather conditions, which can impede the fulfillment of contractual obligations (Mazid, 2003). While the Salam contract has provided substantial benefits in terms of fixed pricing and risk-sharing for both producers and consumers, its scalability remains a challenge. For larger agribusinesses, implementing such a contract system may require streamlined processes and technological tools for contract management and communication. Scalability issues can arise from the



complexities involved in managing large volumes of contracts, which may demand automated solutions to enhance efficiency.

Moreover, the success of Salam contracts hinges on consumer understanding of its terms. In some cases, consumers may not fully grasp the implications of entering into a prepayment agreement, which can lead to confusion and dissatisfaction. Therefore, educational initiatives should be incorporated into the implementation process to ensure that both producers and consumers are fully informed about the contract's terms. Providing clearer explanations and examples of how the system works will help bridge this gap and increase the acceptance of the Salam contract model across diverse consumer bases.

To mitigate these risks, Chicken Jaya employs several strategies, including maintaining buffer stock, diversifying production, and investing in disease prevention measures. Additionally, clear communication with buyers regarding potential risks and contingency plans helps manage expectations and uphold the integrity of the Salam contract (Hidayat et al., 2023). Such proactive measures are essential for sustaining operations and honoring contractual commitments.

Another challenge lies in the scalability of the Salam contract model. As the business grows, managing multiple contracts and ensuring consistent quality and timely delivery become increasingly complex. Implementing standardized processes and leveraging technology for contract management can enhance efficiency and scalability (Hadziq & Taufiq, 2023). Moreover, training and capacity-building initiatives for staff are crucial to maintain compliance and operational excellence.

Regulatory frameworks also play a pivotal role in the successful implementation of Salam contracts. Supportive policies and legal recognition of Islamic financial instruments can facilitate wider adoption and integration into mainstream financial systems. Engagement with policymakers and financial institutions is necessary to create an enabling environment for Sharia-compliant financing models (Ayub, 2009).

In conclusion, while the Salam contract offers a viable financing alternative for agricultural enterprises, addressing operational, scalability, and regulatory challenges is essential for its sustainable implementation. Through strategic planning and

stakeholder collaboration, the Salam contract can be effectively integrated into modern agribusiness models.

Future research should focus on scalability and technological integration in implementing Salam contracts in larger agribusinesses. Additionally, studies examining the impact of consumer education on the adoption of these contracts will be essential to understanding the full potential of Sharia-compliant financing models in agricultural settings. Expanding research to other regions and industries will provide valuable insights into the broader applicability of Salam contracts.

## Conclusion

The implementation of the Salam contract in the Chicken Jaya poultry agribusiness represents a constructive alignment between Islamic financial principles and modern agricultural practices. By requiring full prepayment for future delivery, the Salam model addresses critical financial challenges faced by small-scale producers, such as limited access to capital and vulnerability to price volatility. Moreover, the contract promotes ethical transactions based on transparency, risk-sharing, and mutual trust—fundamental values in Islamic economics. This study found that the adoption of this Sharia-compliant financing mechanism not only enhanced the operational stability of the farm but also fostered consumer loyalty through ethical appeal and religious congruence. The Salam contract, when properly institutionalised, offers a powerful framework to promote inclusive, sustainable, and ethically grounded economic practices within the halal agribusiness sector.

Nevertheless, the findings also underscore the practical limitations and risks inherent in Salam-based transactions, particularly in the agricultural context where biological and environmental uncertainties prevail. Strategic interventions—such as risk management planning, the use of digital monitoring tools, and continuous consumer engagement—are essential to mitigate potential disruptions in fulfilment. Furthermore, the scalability of the Salam contract requires regulatory clarity and supportive institutional frameworks to enable broader implementation across various sectors. Future research should investigate cross-sectoral applications of Salam and explore comparative studies with other Islamic contracts such as Istisna' and Murabaha to evaluate their relative effectiveness and consumer impact. Overall, this

research affirms the relevance and transformative potential of Islamic contractual systems like Salam in realigning economic behaviour with ethical and religious values in contemporary business environments.

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