



Fatwa no. (19113):

Q: We are living in a rural country. The main source of income is agriculture, but sometimes the outcome of crops is insufficient for the farmers. Therefore, some agricultural land owners mortgage a piece of land in either of two ways: first, the land owners take 10,000 L.E., for instance, from a person. In return for this, they give that person half a feddan of agricultural land as a mortgage, and they write a contract which stipulates that the money owner undertakes the cultivation of the land, and he has the right to use the crops. The land owner takes nothing

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until the money is repaid. Is this permissible? The second form is that a land owner gives a feddan of agricultural land to a person to cultivate it and bear the costs. At the end, the land owner takes 550 L.E., for instance, as rent, and writes a contract which stipulates that the land owner takes 15,000 L.E. as insurance. Is this permissible?

A: Both forms are considered a loan which yields interest and this is Haram (prohibited). You should stop this and turn to permissible forms, such as renting land to someone who cultivates it in return for a fixed sum of money or a fixed share of the crops. May Allah grant us success! May peace and blessings be upon our Prophet Muhammad, his family and Companions!

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