275012 - In the case of fruits and vegetables that he sells, should he pay the zakah of cash or the zakah of trade goods?

the question

My question is about people who are partners and have vegetables that they trade in. I know that we must pay zakah, but what is the nisab (minimum threshold)? How is the rate worked out? We sell the produce, such as tomatoes, melons, red peppers and potatoes, and we make a profit; that is, in the end we have a sum of money as profit. What is the nisab for this money? Is the rate of zakah one quarter of one tenth, or one tenth, or one fifth? Please note that we rely on wells to irrigate the produce. Similarly, should we work out the nisab as a whole or after sharing out the profits among the partners? As the money reaches the nisab before it is distributed to the partners.

Detailed answer

Praise be to Allah.

Firstly:

The zakah of crops and produce is not due on vegetables such as tomatoes, peppers, potatoes, melons and so on, which are not measured by volume and stored, according to the majority of scholars. Rather zakah is due on the price of this produce when it is sold for cash, and the price reaches the nisab (minimum threshold) by itself or when added to other cash, gold or silver, and one full year has passed since it was acquired. It must be paid at the rate of one quarter of one tenth (2.5%).

The nisab is the equivalent of 595 grams of silver.

It says in Fatawa al-Lajnah ad-Daa'imah (8/19): Vegetables are not subject to zakah unless any of them has been sold for cash and one year has passed since the cash was acquired, whereupon

zakah must be paid on this cash if it reaches the nisab by itself or when added to other cash. End quote.

Shaykh Ibn ‘Uthaymeen (may Allah have mercy on him) said: zakah is not due on fruits, vegetables, melons and so on, because ‘Umar said: No zakah is due on vegetables; and ‘Ali said: No zakah is due on apples and the like. And because they do not come under the heading of grains. But if they are sold for cash, and one year passes since the cash was acquired, then that cash is subject to zakah."(Majmoo‘ al-Fatawa (20/299).

And he said (18/249): Vegetables of various types are not subject to zakah even in large amounts, but if a person sells them, then their price is subject to zakah if it remains in his possession until one full year has passed, and it is in the form of currency such as gold, silver or whatever is used in their place. End quote.

The point is that vegetables are subject to the zakah on cash after they have actually been sold, and one year has passed since their sale.

But if the vegetables are kept in freezers and the like, with the intention of selling them, and after one year has passed they are still preserved, then they are subject to the zakah on trade goods, so the value of the vegetables should be worked out when one year has passed, and one quarter of one tenth of the value must be given as zakâh, whether they have been sold or not.

Shaykh Ibn Baaz (may Allah have mercy on him) said: With regard to melons and vegetables, they are not subject to zakah. No zakah is due on melons, pomegranates, apples and the like, because they are eaten straightaway and are not stored.

But if they are stored in freezers nowadays, with the intention of selling them, and he produces them for sale, and one full year has passed, then he must give zakâh on them if (their value) reaches the nisab of gold and silver, because they are trade goods in that case, and come under the heading of trade goods.

It says in the hadith of Samurah narrated by Abu Dawood that the Prophet (blessings and peace of

Allah be upon him) instructed us to give zakah on everything that we have prepared for sale.

So if various kinds of fruits, melons, pomegranates, apples, oranges and the like have been prepared for sale, and are preserved in freezers until one year has passed, and they are prepared for sale, then zakah must be paid on them, according to their value.

If what has been prepared for sale is valued at one thousand riyals when one full year has passed, then zakah must be paid on one thousand. If, when one full year has passed, its value is ten thousand, then zakah must be paid on ten thousand, and so on, according to its value."(Fatawa Noor ‘ala ad-Darb 15/78).

Secondly:

It is stipulated that the total wealth should reach the nisab, and no attention should be paid as to whether the share of each partner reaches a nisab or not. This is the view of ash-Shaafa‘i (may Allah have mercy on him), as according to his view, the total value should be considered in the case of cattle and other goods.

On this basis, the Islamic Fiqh Council adopted this view with regard to zakah on company shares.

But if the wealth is distributed to the partners before one year has passed, then in that case each partner should look at what he has in his hand, and if it reaches the nisab and one full year passes, then he should give zakah on it, otherwise no zakah is due on it.

And Allah knows best.