

# LEGAL REVIEW OF THE IMPLEMENTATION OF AGRICULTURAL LAND SHARECROPPING AGREEMENTS IN PIJORKOLING VILLAGE, DOLOK DISTRICT, NORTH PADANG LAWAS REGENCY

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## Abstract

*The purpose of this research is to understand the implementation of agricultural profit-sharing conducted by the customary law community in Pijorkoling Village, Dolok District, North Padang Lawas Regency, and to determine the compliance of agricultural land profit-sharing implementation with Law No. 2 of 1960. The research method used is a sociological juridical approach, with descriptive-analytical specifications, and purposive non-random sampling for sample determination. The analysis was conducted qualitatively to address the research problem. The research findings indicate that the implementation of the profit-sharing agreement for agricultural land in Pijorkoling Village, Dolok District, North Padang Lawas Regency does not use the profit-sharing agreement according to Law No. 2 of 1960 concerning profit-sharing agreements for agricultural land. Instead, they conduct profit-sharing agreements based on customary law that has been passed down through generations, which are agreements based on the approval and agreement between the landowner and the prospective cultivator, conducted verbally on the basis of trust. Regarding rights and obligations as well as the balance of profit-sharing, it is also based on the agreement of both parties. The profit-sharing ratio from the research is referred to as "mertelu" or 1:3, one part for the landowner and two parts for the cultivator from the total net harvest. Then, the termination or dissolution of the working relationship between both parties occurs when the agreed-upon period ends at the end of the harvest season, or it can also be the termination of the agreement due to one party breaching the initial agreement.*

**Keywords:** Agreement, Profit Sharing, Agricultural Land

## I. INTRODUCTION

For the Indonesian people, land occupies an important position in their daily lives, especially for those living in rural areas whose main livelihood is farming. Therefore, land (in this case, agricultural land) plays a crucial role in their daily lives, both for tenant farmers and landowning farmers (i.e., owners of agricultural land). Land policy in legislation is regulated by Law Number 5 of 1960 concerning the Basic Agrarian Law (UUPA)<sup>1</sup>. Looking at the contents of the UUPA provisions, the conception and objectives in the formation of the UUPA are very populist in nature. Because the implementation policy of UUPA is centered on serving the community, especially the farmers, who are the largest part of the Indonesian people's way of life. UUPA, as a new national agrarian law, has replaced the old dualistic agrarian law. Thus, the UUPA is an important tool for building a just and prosperous society.

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<sup>1</sup> Undang-Undang Nomor 5 Tahun 1960 Tentang Peraturan Dasar Pokok-pokok Agrarian.

The purpose of establishing the UUPA as a National Agrarian Law is<sup>2</sup>:

1. Laying the foundations for the formulation of national agrarian law that will serve as a tool to bring prosperity, happiness, and justice to the State and the people, especially the farming community, in the context of a just and prosperous society.
2. Laying the foundations to foster unity and awareness in national land law.
3. Laying the foundations to provide legal certainty regarding land rights for the entire population.

One of the basic principles in the UUPA is "Land Reform." This principle in the UUPA provisions is regulated in Article 10 paragraphs (1) and (2), which contain a principle that states, "Agricultural land must be worked or actively managed by its owner, with implementation regulated by statutory regulations." To implement this principle, it is necessary to have provisions regarding the maximum and/or minimum land area that must be owned by farmers. Article 17 of the UUPA contains an important principle, namely that "land ownership and control beyond the limit is not permitted, as it may harm the public interest".<sup>3</sup>

Considering the structure of agricultural society, especially in rural areas, which still requires the use of land that does not belong to them, it is deemed necessary for the time being to allow the use of agricultural land by those who do not own agricultural land, for example, through sharecropping, renting, pawning, and so on. Such matters are regulated under Article 53 of the Basic Agrarian Law (UUPA).<sup>4</sup> A profit-sharing agreement is one of the agreements related to land, where the object is not the land itself but everything related to the land or attached to the land, such as crops, the right to work, cultivate, or plant on the land, and so on. The subject matter of agricultural land profit-sharing itself falls within the scope of customary land law, specifically, a cooperation agreement related to land but cannot be said to have land as its object; rather, its object is land.

The land cultivation agreement with profit-sharing was originally regulated by customary law based on an agreement between the landowner and the cultivating farmer, who received a share of the harvest as previously agreed upon by both parties. In its development, the profit-sharing agreement was then regulated by Law Number 2 of 1960 concerning Profit-Sharing Agreements, which originated from customary law in Indonesia.

In Contract Law as stated in Article 1338 of the Civil Code, which mentions that only valid agreements are binding. The validity of an agreement is regulated in Article 1320 of the Civil Code regarding the conditions for the validity of an agreement, namely with the following terms and conditions:

- a. Their binding agreement
- b. The ability to create obligations

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<sup>2</sup> H.M, A. (2016). *Hukum Agraria Indonesia*. Jakarta Timur: Sinar Grafika. p.6.

<sup>3</sup> Perlindungan, A. (1991). *Landreform Di Indonesia Suatu Studi Perbandingan*. Bandung: Mandar Maju, p. 10.

<sup>4</sup> Thalib, S. (1985). *Hubungan Tanah Adat dengan Hukum Agraria di Minang Kabau*. Jakarta: Bina Aksara.

- c. A certain thing
- d. A legitimate reason<sup>5</sup>

The agreement between "the parties is usually documented in a written agreement (contract) and the contract made constitutes a law for the parties who bind themselves to it, the contract must be adhered to, the agreement must be adhered to, if one party does not fulfill the agreement as promised, they will face legal consequences according to the applicable legal regulations".<sup>6</sup> The regulation of "this contract/agreement can further be seen in Book III of the Civil Code on Obligations (verbintenis), which mentions and regulates several contracts, such as sale and purchase, barter, lease, civil partnership, donation, deposit, loan for use, loan for borrowing, power of attorney, debt assumption, wager, and settlement".<sup>7</sup>

A profit-sharing agreement is one of the agreements related to land, where the object is not the land itself but everything related to the land or attached to the land, such as crops, the right to work, cultivate, or plant on the land, and so on. The subject matter of agricultural land profit-sharing itself falls within the scope of technical customary land law, namely, a cooperation agreement related to land but cannot be said to have land as its object; rather, its object is land. The land cultivation agreement with profit-sharing was originally regulated by customary law based on an agreement between landowners and tenant farmers, who received a share of the harvest as previously agreed upon by both parties. In its development, the profit-sharing agreement was then regulated by Law Number 2 of 1960 concerning Profit-Sharing Agreements, which originated from customary law in Indonesia. With the enactment of the profit-sharing law, do the profit-sharing agreements in the Pijorkoling Village area use customary law or are they already in accordance with the provisions of Law Number 2 of 1960? Which option do they choose to further and more deeply examine the implementation of profit-sharing in Pijorkoling Village? The purpose of this research is to understand the legal implementation of profit-sharing agreements for agricultural land in Pijorkoling Village, Dolok District, North Padang Lawas Regency.

## II. RESEARCH METHOD

The research conducted is empirical legal research, focusing on the behavior of the legal community, based on primary data and also supported by secondary data consisting of primary legal materials and secondary legal materials. The research location is in Pijorkoling Village, Dolok District, Padang Lawas Utara Regency, North Sumatra. The population of this study consists of 20 people, including the Village

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<sup>5</sup> Prodjodikoro, R. W. (1981). *Azas - Azas Hukum Perjanjian*. Bandung: P.T.Bale Bandung.

<sup>6</sup> Rahdiansyah, R. (2018). Legal Aspects of Loan Assistance Agreements Between State-Owned Enterprises and Micro and Small Enterprises. *UIR Law Review* p. 314

<sup>7</sup> Admiral. (2018). *Legal Aspects of Contracts*. Legal Aspects of Leasing Contracts and Financing Contracts, p. 401.

Head, Traditional Leaders, Landowners, and Farmers. The research sample was taken using purposive sampling, which is a sample selected based on consideration or subjective research. In this study, 30% of the population was taken through purposive sampling, so the samples used as respondents in this research are the Village Head, one landowner, and one cultivator. In this research, the data sources used are primary data and secondary data:

1. Primary data is data obtained directly from respondents and informants as the main data. In this study, primary data was obtained through questionnaires from respondents and interviews with informants.
2. Secondary data consists of primary legal materials and secondary legal materials.
  - a) Primary legal materials in the form of legislation whose order follows the applicable legislative formation procedures, namely:
    - b) UUD 1945 Article 33 paragraph 3.
    - c) Law Number 5 of 1960 on the Basic Agrarian Law.
    - d) Law Number 2 of 1960.
  - e) Secondary legal materials in the form of legal facts, legal principles, legal opinions in literature, previous research results, and the internet.

### III. DISCUSSION

#### a. Overview of the Research Location

Based on the research conducted by the author in the area or region of Pijorkoling Village, Dolok District, North Padang Lawas Regency, regarding the Legal Review of the Implementation of Agricultural Land Sharecropping Agreements, the following data has been obtained and presented below:

#### 1. Overview of the Pijorkoling Village Area

##### a) The area of Pijorkoling Village

The research results obtained a general overview of the Pijorkoling Village area according to its geographical location to the north of Dolok District, and administratively, Pijorkoling Village borders with:

- i. South Side : Aek Ilung Village
- ii. East Side : Singanyal Village
- iii. To the West : Pasar Sipiongot Village

Based on the village potential data obtained from the Head of Pijorkoling Village, the area of Pijorkoling Village is approximately 450 Ha as follows:

**Table 3.1 Land Distribution in Pijorkoling Village**

Land	Land Type	Land area
Rice Land (25 Ha)	Irrigated Rice Field 1/2 technical	20
	Sawah Tadah hujan	5

Others Land (425 Ha)	Settlement	7,30
	Field	200
	Sawit	147,30
	Rubber tree	70
<b>Total</b>		450

The potential data of the village based on land ownership in Pijorkoling Village, covering 25 Ha of rice fields and 425 Ha of non-rice fields. The majority type of land ownership is oil palm plantation covering an area of 147.30 Ha.

### b) Population Distribution

Based on the distribution of the population data as follows:

**Table 3.2 Population Distribution of Pijorkoling Village**

Parameter	Amount
<b>Gender</b>	
1. Man	396
2. Woman	373
<b>Land ownership status</b>	
1. Landowner Farmers	147
2. Tenant Farmers	286
<b>Level of education</b>	
1. Did not finish elementary school	8 person
2. Elementary school	120 person
3. Junior high school	37 person
4. Senior high school	60 person
5. Completed Diploma	10 person
6. Completed bachelor's degree	40 person

According to the gender distribution of the population data in Pijorkoling Village, there are 373 females and 396 males. There are 286 tenant farmers and 147 landowners who make their living as farmers. It is known that not all landowners live in Pijorkoling Village; some also reside in Pasar Sipiongot Village, Dalihan Natolu Village, and other villages where they work as private or public servants. With 120 individuals, elementary school is the highest level of schooling.

### c) The occupations of the residents

According to the study's findings, the majority of people living in Pijorkoling Village are farmers, while some are civil servants including teachers, members of the local administration, and traders. There are a lot more workers in Pijorkoling Village, as was said in the previous subsection. These workers include traders, farmers, and

other locals who work as private or public services. For greater clarity, the author arranged them in a table.

**Table 3.3 Population Status by Type of Occupation**

<b>Work</b>	<b>Amount</b>
Farmer	180 person
Civil servant	17 person
Alternative medicine expert	2 person
Traditional healer	6 person
Employees of a private company	40 person
Entrepreneur	6 person
Not having a permanent job	150 person
Retired	3 person

Source: The Monography of Pijorkoling Village, 2024

According to the village of Pijorkoling's demographic status by occupation, the majority of its 180 citizens are farmers, followed by 150 residents who do not hold a stable work.

#### **d) Land Use**

The climate in Pijorkoling Village, Dolok District, is relatively hot and receives enough rainfall, which makes the soil extremely rich and ideal for agriculture, including the production of rice, rubber, and palm oil. Field rice is harvested once a year, sometimes twice a year, while rice paddies are harvested three times a year in the village of Pijorkoling, Dolok District.

**Table 3.4 Land Use Area and Land Production Yield**

<b>Type Of Plant</b>	<b>Production</b>	
	<b>Wide Area (Ha)</b>	<b>Average Production (Ha)</b>
Rice	189	60,2
Sawit	130	45,7
Rubber	70	50
Chili	17	20
Corn	10	25
Bean	9	12

Source: The Monography of Pijorkoling Village, 2024

The most extensive land use in the Pijorkoling village area, Dolok District, is rice fields covering 189 Ha with an average production of 60.2 / Ha. Then, palm oil land with an average production of 45.7 / Ha.

## **b. Implementation of Agricultural Land Sharecropping in Pijorkoling Village between Landowners and Farmers**

The study's findings show that data were gathered through interviews and observations, allowing the author to explain how the profit-sharing agreement is actually implemented in Pijorkoling Village, Dolok District, North Padang Lawas Regency. The subject of the profit-sharing agreement is the landowner and the cultivator. In Article 1, it is stipulated that the definition of a landowner is "an individual or legal entity who controls the land based on a right."<sup>8</sup> Meanwhile, Article 2 stipulates that those allowed to be cultivators are "farmers whose cultivated land does not exceed 3 hectares."<sup>9</sup> If it is more than 3 hectares, then permission must be obtained from the Deputy Minister of Agrarian Affairs. Legal entities are not allowed to be cultivators unless they obtain permission from the Minister of Agrarian Affairs. This is in accordance with Law Number 2 of 1960, because the parties involved consist of landowners who do not own more than 3 hectares and are not legal entities.

Regarding the extent of the cultivated land and who is allowed to be cultivators, according to Yudi Alamsyah Rambe, the Head of Pijorkoling Village, he stated that: *"... I do not yet know of any law that regulates how extensive the cultivated land is allowed to be, and it is possible that the people of Pijorkoling do not know how extensive the land that can be cultivated is either."* As long as they know that the landowner allows the land to be worked on, the cultivators will do it...<sup>10</sup> Similarly, Dani, one of the cultivators from Pijorkoling Village, stated that: *"... I do not know of any law regulating the area of land to be cultivated. All this time, I have been working on my cultivated rice field by simply asking the landowner for permission. As long as he agrees for me to work on it, I will do it. Indeed, the rice field I cultivate is only 2 ratte (40 square meters)...."*<sup>11</sup> Similarly, Wanri Hasibuan, one of the landowners in Pijorkoling Village, stated that *".....I usually provide a rice field for cultivation measuring 40 meters x 40 meters (2 ratte), and regarding the allowed area, I do not know about that...."*<sup>12</sup>

The village head, cultivators, and landowners are unaware of Law Number 2 of 1960. This is due to the lack of socialization regarding Law Number 2 of 1960, so the implementation of profit-sharing agreements still uses customary law.

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<sup>8</sup> Supriadi, *Hukum Agraria*, (Sinar Grafika, Jakarta, 2009), p. 220

<sup>9</sup> *Ibid.*, p. 221

<sup>10</sup> Interview with Yudi Alamshah Rambe, October 21, 2024

<sup>11</sup> Interview with Dani on October 22, 2024

<sup>12</sup> Interview with Wanri Hasibuan on October 23, 2024

### 1) Profit-Sharing Agreement

Then, regarding the form of the profit-sharing agreement in Pijorkoling Village, according to one of the landowners, the agreement between the landowner and the cultivator is not made in writing but rather verbally. In Article 3, it is stipulated that *"profit-sharing agreements must be conducted in writing."*<sup>13</sup> This is not in accordance with Law Number 2 of 1960. This was also conveyed by Wanri Hasibuan that:

*".....I have always hoped that the agreement for my land would be made verbally because it has become our custom to make agreements this way, as almost all families in this village do, and this form of verbal agreement has been passed down through generations."<sup>14</sup> "I have always hoped that the agreement for my land would be verbal because it has become our custom to make agreements this way, as almost all families in this village do, and this verbal agreement has been passed down through generations." Similarly, Dani, one of the farmers from Pijorkoling Village, stated: "The form of agreement we make with the landowner is verbal because we trust each other and it has become our habit to make agreements this way..."<sup>15</sup>*

And thus it was conveyed by Yudi Alamsyah Rambe, the Head of Pijorkoling Village, that *".....Indeed, the profit-sharing agreements in this village are conducted verbally because it has become a community habit and due to the lack of socialization and knowledge regarding the law, the implementation of profit-sharing agreements uses customary law and is carried out informally....."*<sup>16</sup>

### 2) Profit-Sharing Agreement Process

The process of the profit-sharing agreement is carried out solely based on the agreement between the parties, initiated by the landowner who offers the farmer to work on their agricultural land. In Article 3, it is stipulated that the process of the profit-sharing agreement must be conducted *"in the presence of the Village Head, attended by two witnesses who witness the agreement, and ratified by the Sub-district Head, and announced at every village meeting."*<sup>17</sup> This is not in accordance with Law Number 2 of 1960.

Then it was conveyed by Dani as a resident of Pijorkoling Village and one of the cultivators that: *".....the process of implementing the profit-sharing agreement is only based on the agreement between both parties, and it can be carried out without the need to be in front of the Village Head." And what I do is when I ask the landowner to cultivate his rice field and then he is willing to let me cultivate or work on the rice field,*

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<sup>13</sup> Supriadi, Agrarian Law, (Sinar Grafika, Jakarta, 2009) p. 221

<sup>14</sup> Interview with Wanri Hasibuan on October 23, 2024

<sup>15</sup> Interview with Dani on October 22, 2024

<sup>16</sup> Interview with Yudi Alamsyah Rambe on October 21, 2024

<sup>17</sup> Supriadi, Agrarian Law, (Sinar Grafika, Jakarta, 2009) p. 221



*then I can already work on that rice field, and usually we do not report or inform our agreement to the Village Head....."*<sup>18</sup>

Similarly, Wanri Hasibuan, as the landowner and one of the residents of Pijorkoling Village, stated: "*.....The process of implementing the profit-sharing agreement that I conduct with the cultivator involves calling the cultivator and discussing the agreement. If the cultivator agrees to work on the rice field I offer based on our mutual agreement, that is the usual process of the profit-sharing agreement I follow. We do not report our agreement to the village head because our ancestors have done the same as we do.*"<sup>19</sup>

### **3) The Content of Profit-Sharing Agreement**

The contents of this profit-sharing agreement include, among other things, risks, the duration of the agreement, the distribution of agricultural yields, the rights and obligations of the parties, and the termination of the agreement.

#### **a) Agreement Risk**

In the cultivation of rice fields, the cultivators strive to ensure that the fields yield the maximum possible results. However, sometimes the results obtained do not match the efforts made, leading to potential harvest failures. This is generally caused by pests or diseases affecting rice plants, floods, and insufficient water supply needed for agricultural crops. The lack of water occurs during prolonged dry seasons, causing farmers to be unable to obtain water for the agricultural land they are working on, which leads to crop failure.

#### **b) Duration of Agreement**

Regarding the duration of the agreement to be carried out by the parties, it is not specified how long it should be implemented. In Article 4 it is stipulated "*that for rice fields at least three years, while for dry land at least five years.*"<sup>20</sup> This is also not in accordance with Law Number 2 of 1960. According to Dani, one of the cultivators in Pijorkoling Village, he said: "*....The duration of the profit-sharing agreement I made with the landowner was never specified in terms of how long the agreement would last, and my habit in cultivating someone else's rice fields is that after the harvest, the landowner will inform me whether our profit-sharing agreement will continue or not.....*"<sup>21</sup>

#### **c) Distribution of Agricultural Products**

The division of land results is based solely on an agreement between both parties. In Law Number 2 of 1960 Article 7 concerning profit-sharing agreements, it is stipulated that "the extent of the land profit share that becomes the right of the

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<sup>18</sup> Interview with Dani on October 22, 2024

<sup>19</sup> Interview with Wanri Hasibuan on October 23, 2024

<sup>20</sup> Supriadi. Agrarian Law, (Sinar Grafika, Jakarta, 2009) p. 222

<sup>21</sup> Interview with Dani on October 23, 2024

landowner and cultivator for the district area is determined by the regent or the relevant district head by considering the type of crop, soil condition, population density, zakat set aside before distribution, and other economic factors."<sup>22</sup>

d) Rights and Obligations

Both parties, the landowners and the land cultivators, have their respective rights and obligations. The rights and obligations of landowners and cultivators in Pijorkoling Village, Dolok District include:

- 1) Landowner's rights: to receive a share of the land's yield in accordance with the agreed profit-sharing ratio by the parties, plus compensation for seed and fertilizer costs, and to receive the rice field back in good condition.
- 2) The obligation of the landowner: to hand over the land to the cultivator for cultivation and to cover production costs, including seed costs, fertilizer costs, and cultivation costs according to the agreement of the parties.
- 3) Tenant's rights: to receive a share of the land's yield in accordance with the agreed profit-sharing ratio by the parties, plus compensation for seeds and fertilizers, and to receive the land from the landowner for cultivation.
- 4) The obligations of the cultivator: to incur production costs, including seed costs, fertilizer costs, and cultivation costs as agreed upon by the parties; and to return the land in good condition.

Regarding land tax payments, the party responsible for paying the land tax is the landowner (100%). In Law Number 2 of 1960, Article 9 on Profit-Sharing Agreements stipulates that "the obligation to pay taxes on the relevant land is prohibited from being imposed on the cultivator, unless the cultivator is the actual owner of the land."<sup>23</sup>

e) The end of the agreement

The termination of the agricultural land sharecropping agreement in Pijorkoling Village, Dolok District, between the landowner and the tenant can occur because the term has expired and can also happen before the term expires. The reason for the termination of the profit-sharing agreement is that the cultivator is no longer able to work the land they have been cultivating, so the land is returned to the landowner. In Law No. 2 of 1960, Article 6, Paragraph 1 states, "that the termination of the agreement must be based on the mutual consent of the parties and reported by the Village Head,"<sup>24</sup>

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<sup>22</sup> BPK RI <https://peraturan.bpk.go.id> p. 3

<sup>23</sup> BPK RI <https://peraturan.bpk.go.id> p. 4

<sup>24</sup> BPK RI <https://peraturan.bpk.go.id> p. 3

This is also not in accordance with Law Number 2 of 1960. According to Dani, one of the farmers in Pijorkoling Village, he clearly stated: "*.....The agreement process that does not take place in front of the Village Head does not need to be reported by the Village Head when it ends. And usually, the termination of the profit-sharing agreement occurs at the end of the harvest...*"<sup>25</sup> And according to Wanri Hasibuan, one of the landowners in Pijorkoling Village, he said: "*....The end of the profit-sharing agreement I have sometimes occurs because the cultivator can no longer manage it and requests to terminate the agreement, and sometimes because the cultivator is unable to take care of it, and usually, we end it at the end of the harvest. If there is any disagreement, we usually discuss it at the end of the harvest...*"<sup>26</sup>

Similarly, Yudi Alamsyah Rambe, as the Head of the Village, stated that: "*....The termination of the agricultural land sharecropping agreement in Pijorkiling Village is due to the time period determined by both parties, whether the cultivator or the landowner, and usually, the termination of the agricultural land sharecropping agreement occurs at the end of the harvest. So far, no one has reported the termination of the agreement because the community is unaware of it...*"<sup>27</sup>

In its implementation, the profit-sharing agreement for agricultural land in Pijorkiling Village, Dolok District, still adheres to the rules established by the indigenous community itself, which have been passed down from generation to generation. Although there is an official regulation from the government, namely Law No. 2 of 1960, which provides clearer guidelines, the provisions of this law have not yet been applied as expected, and it is even said to be completely ineffective. This is because the regulations of Law No. 2 of 1960 on profit-sharing agreements are considered too complicated by the community. In fact, the main purpose of these provisions is to protect tenant farmers, who outnumber the land area to be cultivated, and to protect them from the arbitrary actions of landowners.

### **c. The Implementation of Agricultural Profit Sharing in Pijorkoling Village Has Not Yet Complied with the Provisions of Law No. 2 of 1960**

Research results in the Pijorkolin Village area, Dolok District, generally show that the community prefers the profit-sharing agreement system based on local customary law (local customs passed down through generations). The obstacles that arise as to why Law No. 2 of 1960 in Pijorkoling Village, Dolok District, cannot be implemented or used in the execution of profit-sharing agreements are because the farmers, landowners, and village heads in Pijorkoling Village are unaware of the existence of Law No. 2 of 1960 to regulate profit-sharing agreements. This happens

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<sup>25</sup> Interview with Dani on October 22, 2024

<sup>26</sup> Interview with Wanri Hasibuan on October 23, 202

<sup>27</sup> Interview with Yudi Alamsyah Rambe on October 21, 2024

due to the lack of outreach activities from the government, especially the outreach activities from the sub-district government, particularly because agricultural outreach is only conducted once a year. The level of education in the Pijorkoling Village community is relatively low, making it difficult to encourage progress through learning. They prioritize the culture of mutual assistance in making agreements for rice field cultivation through traditional profit-sharing, which is done verbally or based on trust and agreement regarding the balance of profit distribution. Such a culture is deeply ingrained in the local community, so if they manage the rice fields with profit-sharing based on the law, they are still afraid of becoming the subject of gossip in the community, especially among the farmers who are still neighbors in something new. They prefer activities in the fields or trading rather than learning to accept changes or participating in extension programs.

The cultural factors that are deeply ingrained in the people of Pijorkoling Village, who still believe in the use of customary practices passed down through generations, which they usually perform to implement profit-sharing agreements, are influenced by elements of mutual assistance among each other, thus not requiring a formal event. From field research observations, the non-functioning of the profit-sharing agreement based on Law No. 2 of 1960 in Pijorkoling Village is primarily influenced by the local community's culture. Village. The sense of mutual cooperation, togetherness, and helping one another is still ingrained in the lifestyle of the Pijorking village community.

#### **IV. CONCLUSION**

The life of implementing the profit-sharing agreement for agricultural land between landowners and cultivators in Pijorkoling Village, Dolok District, North Padang Lawas Regency is carried out based on local customary law, conducted orally, relying solely on the agreement and trust between the landowners and cultivators. The agreement is not made in the presence of the Village Head and no legal deed is created for this legal act. The form of profit-sharing agreement implemented in Pijorkoling Village does not yet comply with the provisions of Law No. 2 of 1960 on Profit-Sharing Agreements, specifically Article 3, which requires the agreement to be made in writing in the presence of an authorized official. The provision for the balance of profit-sharing with a one-third system or 1/3 for rice planted in the fields and for rice planted in the gardens. Meanwhile, the production costs for the one-third sharing system are borne by the cultivator themselves, except for the costs of fertilizer and wages for harvesting labor, which are shared by both parties. However, regarding production costs, it does not yet comply with Law No. 2 of 1960, which requires costs to be shared between the landowner and the tenant.

1. The duration of the agreement made is unclear and vague, because as long as the landowner still wants the land to be cultivated by the previous cultivator,

the profit-sharing agreement continues. The indefinite duration of the agreement does not provide adequate protection for the parties, especially the cultivator, as it can result in the agreement being terminated at any time. The termination of the agreement is usually carried out by the landowner. Thus, the duration of the profit-sharing agreement in Pijorkiling Village does not yet comply with Article 4 paragraph (1) of Law No. 2 of 1960, which stipulates a minimum agreement period of three years for rice fields and five years for plantations.

2. The implementation of agricultural profit-sharing agreements in Pijorkoling Village Has not yet implemented Law No. 2 of 1960. The village of Pijorkoling is due to several reasons, namely the lack of public knowledge about Law No. 2 of 1960 because of the infrequent outreach activities by the sub-district government, the relatively low education level of the people in Pijorkoling, and the deeply ingrained culture among the residents of Pijorkoling who still believe in the use of customary law passed down through generations.

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