

CHAPTER V CONCLUSION

A. Conclusions

Based on the results and discussion adjusted to the research objectives, it can be concluded as follows:

1. The accessibility of micro-financing cooperation for the seed multiplication program by Central Seed Lubuk Minturun is limited to specific groups of breeder farmers who already have competency certificates and comply with procedures. The procedure for cooperation has been regulated. Breeder farmers who are declared able to participate in the cooperation will be able to access loan capital for seed production.
2. The effectiveness of microfinance cooperation is measured based on Increasing revenue, planning, budget allocation, and evaluation of cooperation. From the evaluation of microfinancing cooperation, it can be concluded that the cooperation system between Central Seed and breeder farmers in Lubuk Minturun is still not effective, here are the reasons:
 - a) Because there are costs used for non-production process, the amount of loan capital cannot be said to be fully allocated as production costs. $\text{Profit} = \text{TR} - \text{TC}$, but TC is not the same as Total Capital Access. So in this research cannot measure whether there has been an increase in income by captive farmers. Besides that, the breeder farmers are only price takers in the cooperation system, the price offered Central Seed is much lower than market prices.
 - b) Good budget planning must be in in sync with both parties, not just Central Seed as a government institution
 - c) Budget realization has not been achieved optimally, due to a lack of supervision over the use of the budget which allows breeder farmers to allocate beyond production costs.
 - d) So in the evaluation section it can be concluded that this collaboration system is still not effective in increasing income, planning budget allocations and realizing costs.

B. Recommendations

Based on the results of the research conducted, there are several suggestions that the researcher propose, namely:

1. Cooperation between breeders and Central Seed Lubuk Minturun is quite effective, but the cooperation system should be more formal, such as submitting cooperation procedures in an open forum. This will help equalize the flow of information. Because current information related to cooperation is only accessed by breeder farmers individually, a first-come-first-served system will lead to unhealthy competition between breeder farmers.
2. It is advisable that prior to disbursing loan funds, there is a written allocation plan submitted by the Breeder farmers to Central Seed Lubuk Minturun. This will facilitate monitoring of the use of loan capital. Breeder farmers can determine spending priorities more clearly. Central Seed Lubuk Minturun can ensure that loan capital is allocated solely according to the spending plan for the seed multiplication program.
3. We recommend that Central Seed Lubuk Minturun organize training activities for all breeders involved. The goal is to unify the vision of cooperation. Based on the interviews, Central Seed Lubuk Minturun targets this access to production capital loans to assist breeder farmers in covering initial production capital and hopes that breeder farmers can cover their production capital with business profits in the next production period. However, in reality, this access to capital is used as backup capital by breeder farmers, not to support business independence.