

CHAPTER V. CONCLUSION

A. Conclusion

Based on the research that has been conducted in Padang City regarding the perception and willingness of farmers to pay (WTP) towards Paddy Farming Business Insurance (AOTP), it can be concluded that:

1. Farmers perception of the Paddy Farming Business Insurance (AOTP) program in Padang City has an average score of 2.75 , meaning that farmers are at the level of poor category.
2. The average willingness to pay (WTP) for the Paddy Farming Business Insurance (AOTP) program among 77 respondents is IDR 22,320/Ha/MT, which is 12.4% of the total premium. This amount is lower than the government-subsidized IDR 36,000/Ha/MT premium after an 80% subsidy. Thus, if the government adjusts its premium assistance policies, farmers can pay up to IDR 22,320/Ha/MT, and the AOTP program can continue with ongoing subsidy support.
3. Factors that significantly affected farmers' Willingness to Pay (WTP) for the Paddy Farming Business Insurance (AOTP) program are farmer's age and gender, while the variables of education land Area number of family dependents, land status, crop failure, and gender did not have a significant effect on farmers' WTP

B. Suggestion

Farmers in Padang City have a poor category of the Paddy Farming Business Insurance (AOTP). However, research indicates that potential factors for the sustainability of AOTP reveal that they are interested and willing to enroll in and engage with this program, taking into account and considering various factors. Based on the research that has been carried out, the suggestions that can be given are as follows:

1. Farmers should coordinate again with the Agriculture Extension Officer (AEO) regarding registration to become insurance participants to be faster and more efficient

2. Related parties/stakeholders such as the government Agriculture Extension Officer (AEO), and insurance companies (Jasindo) should conduct socialization and direct coordination with farmer groups more intensively because socialization is only carried out once by Agriculture Extension Officer (AEO). The information related to AOTP is very important for increasing farmers' interest in participating in the AOTP program.
3. The government should reconsider the damage compensation policy, as many farmers object to the current 75% damage threshold. A re-evaluation may lead to a more equitable solution.
4. Future researchers should investigate the factors influencing farmers' participation in the Paddy Farming Business Insurance (AOTP) by incorporating additional relevant variables.

