Obstacles in the application of beef cattle insurance in Gowa Regency, South Sulawesi Province

N A Pratiwi¹, S N Sirajuddin² and A Asnawi²

¹Postgraduate Student of Animal Science and Technology Study Program, Faculty of Animal Science, Universitas Hasanuddin
²Department of Social Economics, Faculty of Animal Science, Universitas Hasanuddin

E-mail: sitti.nurani@unhas.ac.id

Abstract. Cattle Business Insurance is one of the important programs to support the livestock sector. The purpose of this study was to determine the farmers' perceptions of the time of cattle business insurance claims in Gowa. This research was conducted in April 2019 which was located in Gowa Regency. The population in this study is the largest number of farmers who have participated in the cattle insurance program as many as 69 farmers. The results showed that the claim time is the biggest obstacle to the implementation of cattle business insurance because the time given is very short while the number of requirements that should be completed. The conclusion of this study is the farmers' perceptions of the time the cattle business insurance claims are in the District, including a major obstacle for farmers.

1. Introduction

The development of animal husbandry is basically aimed at increasing livestock production and population in order to achieve self-sufficiency in animal protein from livestock, while simultaneously meeting domestic consumption demand, improving community nutrition, increasing farmers' income and opening new jobs. One of these activities is the business of breeding and fattening cattle. Beef cattle farms are part of the livestock sub-sector, which has excellent potential to be developed and has a tremendous prospect [1]. The target of increasing livestock commodity production is meat, milk, and eggs [2].

Beef cattle are the greatest contributor to the production of beef and have not been able to meet domestic demand, which tends to increase every year [3]. There is increased demand for local-scale beef cattle development opportunities in agribusiness through a partnership [4]. Business development through some cattle partnership is an alternative to improve the profitability of farmers and could overcome some of the problems in the beef cattle business, namely small-scale cattle raising and limited capital [5]. Due to problems that exist in the beef cattle business, the partnership program is indispensable. The partnership is a system of alliances that include various agribusiness activities ranging from pre-production and production to marketing. A partnership is an agreement between farmers/ranchers and processors and/or marketing companies to produce beef cattle. Partnerships are conducted among government, private
farmers and community (farmers) with the aim of extracting the potential of natural and human resources, shifting the typology of the livestock business, creating employment opportunities, and applying technology [6].

Recently, livestock is actually a strategic sector in the efforts to achieve national food security, improvement of community nutrition, and employment. The problem faced by Indonesia is the dependence on food imports which are currently increasingly alarming. Food imports continue to occur more increasingly. The main reason for the import policy is still focused on completing the society needs which are not comparable with domestic production. Cattle Business Insurance is one of the important programs to support the livestock sector. This type of Cattle Business Insurance (CBIC) is included in the loss insurance Cattle Business Insurance has an important role for various parties such as 1) for farmers, as a driver of good farm governance, protect from the risk of loss, improve breeders' access to financial institutions; 2) for companies, insurance as a tool to develop their business; 3) for institutions, finance as a guarantor in granting capital loans to businesses animal husbandry; 4) for the government, as an alternative to reducing beef imports and as a supporter of the beef self-sufficiency program [7].

One of the areas which utilized Cattle Business Insurance is Gowa Regency. This area has the potential for beef cattle development because it is supported by an appropriate climate for beef cattle and easier access to various consumer areas. One of the Districts in Gowa Regency which has a population of cattle that is quite a lot of population is in the District of Parangloe. Besides, having a fairly large population of Parangloe District, also many utilize Cattle Business Insurance. The number of insured animals in the Parangloe District, Gowa Regency can be seen in table 1.

| Year | Breeder (person) | Growth (%) | Number of livestock |
|------|------------------|------------|---------------------|
| 2016 | 23               | 0          | 61                  |
| 2017 | 69               | 62.31      | 178                 |
| 2018 | 26               | 49.3       | 19                  |
| Total| 118              |            | 258                 |

Source: Secondary Data of Parangloe District, Gowa Regency, 2018

Table 1 showed that the number of breeders and the number of insured livestock fluctuate from 2016 to 2018. In 2017 it increased by 62.31%, but in 2018 it decreased by 49.3%. This needs attention because the Cattle Business Insurance benefits are very large. This study aimed to determine breeders' perceptions of the time of Cow Cattle Business Insurance claims.

2. Research methods

This research was conducted in April 2019 which was located in Gowa Regency. The type of research used is quantitative-descriptive research which aims to describe the obstacles in the implementation of Cattle Business Insurance. With a population of 69 breeders and the number of samples determined by Slovin method of 40, the type of data used is quantitative data and qualitative data. Data sources used are primary data and secondary data. Data collection methods in this study are observation and interviews.
2.1. Data analysis
The analysis of the data used in this study was firstly by using the Delphi method to determine the number of factors that inhibit farmers in Cattle Business Insurance.

3. Results and discussion
In the first stage, several answers were obtained from respondents. This second stage, respondents were given the opportunity to give a score on eight categories of answers that have been provided. The scoring was based on the farmer's assessment of each factor so that the score was given a ranking. The ranking was based on the high and low scores obtained. The first rank was given to the answer category with the highest score and the Eighth rank is given to the answer category with the lowest score. The second step could be seen in table 2.

| Factor Identification                                      | Stage | Score | Rank |
|-----------------------------------------------------------|-------|-------|------|
| The Lack of Socialization of CBIC                         |       | 149   | 8    |
| Claim Procedures which less understood                    |       | 180   | 6    |
| Economic constraints                                      |       | 189   | 4    |
| Farm misunderstanding of CBIC                            |       | 193   | 3    |
| The duration of disbursement during the claim process     |       | 205   | 2    |
| A number of requirements which should be completed        |       | 185   | 5    |
| The efficient of the time is given to claim               |       | 210   | 1    |
| The length of insurance stage                             |       | 169   | 7    |

Source: The Primary Data Processed, 2019

Table 1 showed the results of the selection determination carried out in stage II obtained the five highest answers on respondents assessed where the answers to these factors that influence the eight responses at stage I, i.e., economic constraints, breeders' misconceptions on Cattle Business Insurance, duration of disbursement during the claim process, the number of requirements that must be met and the short amount of time given at the time of the claim.

Stage III The questionnaire by simply writing down five factors that most hinder the implementation of Cattle Business Insurance, and then given a score back by farmers ranging from the most influential to the least influential. The results of the stage III questionnaire were tabulated to determine the factors that most hampered the implementation of the Cattle Business Insurance which was marked by the lowest score. The results of the third stage questionnaire research were presented in table 3.

| Factor identification                                      | Stages | Score | Rank |
|-----------------------------------------------------------|--------|-------|------|
| Economic constraints                                      |        | 268   | 1    |
| Farm misunderstanding of CBIC                            |        | 125   | 3    |
| The duration of disbursement in claiming                  |        | 121   | 4    |
| A number of requirements which should be completed        |        | 112   | 5    |
| The efficient of the time is given to claim               |        | 126   | 2    |

Source: Primary Data Processed, 2019
Table 2 showed that the first rank was on economic constraints of 268, then the second rank was the short time given when claiming a value of 126. The third rank in breeders' misunderstanding of CBIC is 125. The fourth rank with the length of disbursement when the process is obtained as many as 121. The fifth rank of the many requirements that should be completed was obtained as many as 112. The lowest score shows that it has less effect on the implementation of Cattle Business Insurance while the highest score shows the most influential factor in the implementation of Cattle Business Insurance.

The maximum limit of insurance claims is five days after a cow dies. If one condition is ignored, it would make it difficult for cattle farmers to submit their claims, so that if there was a deficiency in managing insurance claims, the claim process would be increasingly hampered while the time given was very short. After the livestock has died due to an illness or accident or the livestock was lost due to being stolen. The farmer must immediately report to the officer and collect the required documents if he wants to file an insurance claim. This is in accordance with the opinion of Suryaningsih [8] which states that no later than 7 calendar days since the claim report was made breeders have submitted a written report regarding the cause of death or loss of livestock.

4. Conclusion
Based on the results of the discussion above it could be said that farmers' perceptions of the short time given when the cattle insurance business insurance claims are in the District, including a major obstacle for farmers. The farmer needs time to collect all the necessary files which needed to claim.

References
[1] Haerani, Fanani Z, Hartono B and Nugroho B A 2015 The analysis of beef cattle business sustainability in Donggala Regency, Indonesia Int. J. Econ. Res. 12 165–76
[2] Deptan 2007 Pedoman Percepatan Pencapaian Swasembada Daging Sapi (P2SDS) (Jakarta: Departemen Pertanian Jakarta)
[3] Lestari T D, Ismudiono, Sardjito T, Yamato O, Takagi M, Yabuki A and Sianto P 2019 Breeding performance of Indonesian beef cattle as recipients for embryo transfer J. Vet. Med. Sci. 81
[4] Guolingshi, Z Qian, dan G Zhan 2007 Analysis of supply chain principal-agent incentivecontract Int. J. Manag. Sci. Eng. Manag. 2 155-160
[5] Mersyah, R 2005 Desain System Budidaya Sapi Potong Berkelanjutan untuk Mendukung Pelaksanaan Otonomi Daerah di Kabupaten Bengkulu Selatan Disertasi (Bogor: Institut Pertanian Bogor)
[6] Sirajuddin S N, Siregar A R, Nur-UAela Sah Lestari V S, Tenrisanna V 2017 The limitations and benefits of partnership sharing system of corporated cattle market (CCM) Am. Eurasian J. Sustain. Agric. 11 11-14.
[7] Annisa N S, Rizal S and Gendut S 2015 Strategi pengembangan asuransi ternak sapi J Manaj Agribisnis. 12 32-41
[8] Suryaningsih D U 2018 Tinjauan Yuridis Asuransi Usaha Ternak Sapi dalam Menanggulangi Resiko (Mataram: Universitas Mataram)