



Project of Capacity Development for the Implementation of Agricultural Insurance

October 2021

AYII PROMOTION ON GOING

Pilot activity for the Area Yield Index Insurance (AYII) in Karawang District, West Java, is ongoing in five sub-districts, of which three sub-districts have reached to the subscription deadline. The sales promotion activities in the remaining two sub-districts are also getting to the end. On 12-14 October 2021, the project staff visited Karawang District to review the progress of the sales of AYII and the preparation for CCE (Crop Cutting Experiment).

Under the various restrictions from the Covid-19, it was not easy to socialize AYII product to the farmers, and the number of registrations was lower than initial target. However, district agriculture offices are positive and actively addressing the challenges. In a meeting with the agriculture offices, some challenges were pointed out, such as the farmers feel that the insurance payment is lower than the production cost including the rental fee of farmland.



Implementation of CCE

Direct Conversation with JASINDO

On 19 October, at JASINDO HQ, the JASINDO head office, the Bukashi Branch and the project secretariat discussed the schedule for the AYII pilot activity and a training plan for reinsurance. The staff of the Bukashi Branch, which handles AYII, shared their opinions on the operation of AYII, such as difficulties in coordinating the agriculture offices, extension workers and farmer groups when selling the public agricultural insurance of the Ministry of Agriculture. Furthermore, it was mentioned that many rice farmers who cultivate less than



2 hectares of farmland do not wish to pay for future risks even if the insurance premium is not significant. Therefore, it was mentioned that the compulsory insurance system may be a better choice to protect certain number of farmers.

Meeting at JASINDO HQ