### Externalities of Melinjo Chips Industry in Mejono Village, Plemahan, Kediri.

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**ABSTRACT**

The melinjo chips industry has become a significant processing industry in Mejono Village, Plemahan, Kediri. This study is conducted to estimate the value of community's losses, due to pollution from melinjo chips industry, using the cost of illness and the loss of earnings methods. Additionally this study seeks to determine the compensation value the community is willing to accept, using the Contingent Valuation Method (CVM), as well as analyzes the factors influencing this willingness through multiple linear regression analysis. One of the externalities is experienced by respondents in Sumbermulyo, Mejono Village, which is a key center for melinjo chips industry. The findings indicate that there are negative externalities, such as noise, disrupted comfort, and water pollution. The average loss per person due to pollution from the melinjo chips industry is Rp. 506,102 per person per year. The estimated average Willingness to Accept (WTA) among respondents is Rp. 107,387 per person per year. Factors significantly affecting the respondents' WTA include age, education, income, the distance of their homes from the industry, and the total community losses.

**Keywords: Externalities, Melinjo Chips Industry, Losses, Willingness to Accept (WTA).**