

ABSTRACT

Rice in Indonesia is a vital and basic good, so the price of rice should be kept stable so that it does not have a big impact on the prices of other types of goods. In fact, it is found that the price of rice tends to increase every year and has high volatility in certain periods. There are many factors that can affect the price of rice in general. These factors can come from the economic conditions of a country, both from the consumer and commodity side simultaneously. The influence of these factors also has dimensions of influence in the short and long term. This study aims to determine the external and internal factors on rice commodity prices in the short and long term in Indonesia.

The data processed was obtained in the period 2016-2020 on a monthly basis. The method of analysis and data processing used is ARDL-ECM. The variables used are rice commodity prices, GDP, rice production, harvested land area, Rupiah-Dollar exchange rate, and rice import volume.

The results showed that GDP, production, and harvested land area had no effect on rice prices in the long term or short term, while the rupiah exchange rate variable had a positive effect on rice prices in the short term and had no effect on rice prices in the long term. And the import variable shows the results of a positive effect on the price of rice in the short term, while in the long term imports have no effect on the price of rice. The adjusted R² value is 0.956069. This means that 95.6% of the variation in rice prices can be explained by the variation in the variables of GDP per capita, production, harvested land area, rupiah exchange rate, and imports, while the remaining 4.4% is explained by other variables outside the research model.

Keywords: Rice Price, GDP, Production, Land Area, Rupiah Exchange Rate, Import Volume