

## **ABSTRACT**

*Food price fluctuations often become a major factor undermining the food security stability. This study aims to determine the effect of regional inflation and other economic factors on food security in Indonesia which was reflected in the Food Security Index (IKP) at the district/city level.*

*This study was conducted using panel data analysis with an observation period of 2019-2023 in 90 inflation reference districts/cities in Indonesia. The estimation models that were used in this study are Least Squares Dummy Variable (LSDV) which capture the differences in characteristics between heterogeneous regions. Denpasar City was used as the baseline city because it had the best food security achievement.*

*The results show that there is no strong evidence of heterogeneity between regions in terms of food security. Inflation and the price of medium quality rice have a significant positive effect on food security, even though theoretically they are expected to have a negative effect. This finding can be explained through several mechanisms, namely the inelastic nature of demand for staple foods and the benefits of inflation related to short term production growth. Other variables such as per capita GDRP growth, population growth, and female labor force participation rate were found to play an important role in strengthening food security. The variable food expenditure proportion had a negative and significant effect, which resulted in low income groups being more vulnerable to food price fluctuations because their expenditure allocation for food was very high.*

*Keywords: Inflation, food security, inter regions heterogeneity, Least Square Dummy Variable (LSDV)*

