



The Government's Role in Stabilizing Rice Prices in Central Sulawesi

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Abstract

This research aims to find out the government's role in stabilizing rice prices. This research focuses on what things are being done by the government, in this case Perum Bulog and Disperindag, Central Sulawesi to reduce the increase in rice prices. The method used is qualitative. Collection uses observation, interviews, documents and internet searching. The location of this research includes the city of Palu, Kab. Parigi Moutong, Kab. Donggala, and Kab. Sigi. The theory used is the role of government in the economy based on its activities which consist of the role of government as regulator, producer and consumer. The results of the research show that the government's role is not optimal, it can be seen from the government's role as a regulator, to implement various policies and programs, the government has a basis, namely the government purchasing price (HPP) and the highest retail price (HET), which then created the SPHP rice program by Bulog and cheap market by Disperindag. The role of the government as a producer, the government has constraints or problems with the amount of rice stock, the lack of stock it has means that the efforts made do not run optimally so that it has not been able to stabilize or withstand the increase in rice prices. The role of the government as a consumer, the government has difficulty absorbing local rice and imported rice, HPP regulations seem to make it difficult for the government because prices at the milled farmer level are high above HPP and importing countries impose export restrictions and some even stock exports.

Introduction

The government was initially formed to ensure the implementation of public order so that individuals in society are free to carry out their activities without feeling disturbed by threats from both the internal and external environment in society. As time goes by, society's needs become increasingly complex and evolving. The functions and roles of government are becoming increasingly broader in social life (Kettl, 2000). The government as the highest legal organization in a country has primary and secondary functions. According to Rasyid (2009), the primary function of the government consists of service functions and regulatory functions. Meanwhile, the government's secondary functions consist of development functions and empowerment functions.

These functions are carried out to achieve the goals of a country. As an economic actor, the government has 3 important functions in an economy according to Richard A. Musgrave in Mangkoesobroto (2000), namely the Stabilization Function, namely the government's function in creating stability in the economy, politics, law and security. such as creating policies and programs to stabilize prices, as an allocation function. Government policy as an economic actor is an allocation function, which means the government is a provider of public goods that are useful for improving public facilities. Distribution function, namely the equal distribution of people's income. According to the Big Indonesian Dictionary (KBBI), distribution is defined

as distribution (distribution, delivery) to several people or to several places. So, distribution is the distribution of both goods and services from producers to consumers.

In the government's function as stabilization, there is a concept of the role of government households in the economy according to Hamdan et al, namely the role of government as regulator, producer and consumer. As a regulator, the government has regulations for determining government purchasing prices (HPP) and highest retail prices (HET). In the HPP the government will act as a consumer and in the HET the government will act as a producer.

The trend of increasing food prices, especially rice at the end of the year, also occurs in Central Sulawesi, at the end of 2020 the price of rice went from 8000 to 8500, then in the following year 2021 8500 to 8800, then in 2022 it rose drastically to 9000 to 10,000-10,500, and now in the middle of the year 2023 11,000 to 12,000, some even up to 14,000. Issues related to price stabilization of basic food needs have become almost a routine problem for society and the government. Various studies show the importance of food price stability. Food price instability can reduce the level of efficient use of resources and can trigger macroeconomic and political turmoil (Stiglitz, 2002; Myers, 1998).

President Joko Widodo instructed his staff to stabilize the price of rice, which is currently increasing. Minister of Trade Zulkifli Hasan said that Perum Bulog was encouraged to immediately accelerate the distribution of rice with available stock through market operations in order to stabilize the price of this commodity. The government's efforts to stabilize rice prices appear to be half-hearted.

The reason is that the government is not optimal in carrying out its role in stabilizing rice prices. In fact, the government is seen as not spending any money to maintain the stability of rice prices. Senior Economist at the University of Indonesia, Faisal Basri, said that domestic and international rice price movements actually coincide. However, the price of rice in Indonesia is higher by a very wide margin compared to Thailand and Vietnam because production costs are expensive. Then there are also disparities in the middle market in the domestic rice distribution chain. One way the government uses to stabilize rice prices is by importing rice. Imports are carried out because the Indonesian Government's Rice Reserve (CBP) position is only 340 thousand tons on average. This figure is far below the recommendation from the World Food Agency (FAO), namely 1.1-1.8 million tons.

Rice reserves are a vital need that needs to be met. Apart from being a price stabilization tool, government rice reserves are also used for other needs, such as if there is an urgent need related to natural disasters and for government program needs.

In order to maintain supply and stabilize food prices to ensure that people's basic needs are met, since the beginning of February this year, the Government has held a number of market operations and cheap markets in various cities. Apart from this, this activity also aims to monitor the implementation of the Highest Retail Price (HET). "The low-cost market is one of the government's strategies in maintaining price stability and supply of goods, so that price fluctuations do not occur," said the Head of the Stabilization Section for Stabilized Goods Prices at Trade and Industry. Central Sulawesi Siti Maimuna was met at a cheap market in Palu.

The government through Perum Bulog has a program called stabilization of food supply and prices, SPHP rice which is packaged in 5 kg form. This rice will later flood the market with HET prices which are expected to stabilize prices or restrain the increase in rice prices, however this effort is still far from expected because prices continue to creep up. Perum Bulog and

regional governments must coordinate well regarding implementing government programs for cheap markets and SPHP.

Private actors in Parigi Moutong district who received the SPHP program considered that the distribution carried out by Bulog was still insufficient so that it did not cause the price of rice on the market to fall. The Food Availability and Distribution Sector carried out rice SPHP (Food Supply and Price Stabilization) monitoring activities at the consumer level in 2023. These price fluctuations, on the other hand, are market consequences that are the responsibility of the government, in this case Bulog. Based on the reality and explanation above, this is something that is interesting for the author to study further by raising the research title "The Role of the Government in Stabilizing Rice Prices in Central Sulawesi".

Literature Review

The role of government in the economy

Role comes from the word role, which according to the Big Indonesian Dictionary is defined as player. A role is a person who becomes or does something typical, or a set of behaviors that people in society are expected to have. If it is aimed at things that are collective in society, such as associations, gangs, or organizations, then the behavior is expected to be possessed by organizations located in a society. Roles have a dynamic aspect in a person's position (status).

Role refers more to one function, self-adjustment and as a process. There are other definitions of role. Role is the completeness of relationships based on roles that people have because they occupy special social statuses. Furthermore, it is said that in roles there are two kinds of expectations, namely: first, the expectations of society towards the role holder or the obligations of the role holder, and secondly, the expectations that the role holder has towards the community or towards the people they come into contact with in carrying out their role or obligations.

According to Anton (1949), a role is something that can be interpreted as having a positive meaning which is expected to influence something else. The definition of role according to Soekanto (2002), namely that a role is a dynamic aspect of position (status), when someone exercises their rights and his obligations are in accordance with his position, then he is carrying out a role. As an economic actor, the government has 3 important functions in an economy, namely: (Richard A. Musgrave in Mangkoesobroto (2000)

Stabilization function, namely the government's function in creating stability in the economy, politics, law and security (Arner, 2007). As an Allocation function. Government policy as an economic actor is an allocation function, which means the government is a provider of public goods that are useful for improving public facilities.

Distribution function, namely to equalize the distribution of people's income. Distribution according to the Big Indonesian Dictionary (KBBI) is defined as distribution (distribution, delivery) to several people or to several places. So, distribution is the distribution of both goods and services from producers to consumers.

Looking at the government's function as stabilization, there is a concept called the role of government households in the economy found in the book "Public Economics (Khusaini, 2019)" there are 3 roles, namely:

Role as regulator

Plays a role as an economic regulator to improve the welfare of society so that inequality does not occur (Claessens & Perotti, 2007). In carrying out its role, the government household continues to strive to create a fair and equitable economy for every level of society.

Role as a producer

The government produces goods and services. The government acts as a producer when it is involved in providing goods and services to society (Mont, 2002). Examples include the provision of health services, education, infrastructure, defense, and more. The government can produce these goods and services directly through its government institutions or by collaborating with the private sector in the form of partnerships.

Role as a consumer

The government as a consumer refers to expenditures made by the government to meet its needs and services. The government purchases various goods and services to carry out its functions, such as military equipment, office equipment, consulting services, and so on (Ruttan, 2006). This spending drives the economy and can affect the private sector that provides those goods and services.

Price Stabilization

Stabilization is an action taken to prevent price spikes that could disturb the public after efforts to monitor and evaluate price developments.

Managing the stabilization of food supply and prices is a government obligation which is mandated in Law Number 18 of 2012 concerning food. This food law states that the main source of national food supply comes from domestic production and the National Food Reserve (CPN). If these two sources are insufficient, then imports can be met. The National Food Reserve is a food supply throughout Indonesia for human consumption and to deal with food shortages, supply and price disruptions, and emergencies. One of the aims of this implementation is to realize a sufficient level of food, especially staple food at reasonable and affordable prices in accordance with community needs.

Stabilization is an action to maintain the price of goods or services at a certain level carried out by the government when the inflation rate is high as an effort to balance the price of goods or services within a certain period of time. Food price stability is the government's effort to maintain the stability of food prices throughout Indonesia which is divided into 33 provinces, within a province or regional government it has its own policy regarding food prices for strategic food commodities or basic necessities that are always consumed by the community with a stated goal. in Law (UU) No. 18 concerning Food, 2012. According to Alfie (2015) "food price stability is a problem that is being faced by every country in the world and in Indonesia, in this case there are factors that influence food price stability is due to increasing population, climate change, international trade barriers and trends in biofuel use".

The concept of price stability is based on a situation where prices fluctuate over time. The term instability comes from variability and volatility which are directly related to the concept of balance/equilibrium. Price instability is a reflection of the imbalance between supply and demand (Ministry of Trade, 2015). Food prices in a province have differences because in determining prices the government uses several main variables, namely the population or population of a region, regional per capita income, and the consumption power or purchasing power of regional communities by determining the Base Price and Highest Retail Price as stated in the Law. -Law No. 18 of 2012 concerning food in article 57 paragraph 1.

According to Timmer (1997); Dawe (1995) the costs incurred to stabilize prices should not only be assessed in terms of profits/losses of a company, but must be seen in relation to macroeconomic stability, economic growth, investment in the rice sector, investment in other related sectors, defense and security, politics and other social aspects. Including food security which is related to the quality of human resources and achieving national development.

According to Amang & Sawit (2001), there are three reasons why this is necessary

Food price stabilization:

Food price instability can reduce interest in investment at the farming level than it should be, because farmers are not encouraged to use new technology and agricultural equipment (Lybbert & Sumner, 2012). The subsequent result is reduced investment in marketing and processing activities

The industrial sector is very interested in stabilizing food prices because it is closely related to labor wages. If there is enough food, labor productivity is high so it has a positive effect on the level of efficiency of a company. Stable food prices will encourage long-term investment. Apart from that, stable food prices are related to political stability, thereby encouraging increased investment and having a positive effect on labor absorption and economic growth.

Government rice policy

The government's role in the farming system and rice marketing system is because rice is the staple food for most Indonesian people (Octania, 2021). The government's role in regulating feelings in Indonesia is manifested in various policies. Some rice policies in Indonesia are the imposition of an import tariff of IDR 450/kg; providing fertilizer subsidies; providing credit subsidies; providing seed subsidies; government purchasing price policies; area expansion; utilization of high productivity technology; public investment in the construction of irrigation facilities and infrastructure; intensive counseling; and development of farmer groups (Suswono, 2007). Meanwhile, several government policies regarding rice trade and marketing include: (1) Establishing BULOG, a food marketing parastatal institution since 1967. (2) A combination of a buffer stock policy, accompanied by an import-export policy as a complement. (3) Reasonable price range to encourage private sector participation. (4) BULOG as the final seller and buyer (Alimoeso, 2010)

In an effort to achieve price stability for grain and rice, one of the price policy instruments implemented by the government is the basic price and maximum price policy. The basic price is intended to protect farmers as producers from falling grain prices during the peak harvest, while the maximum price is intended to protect consumers, especially from price spikes during the lean season. The basic price concept was then adjusted to become the basic government purchase price (HDPP) as of January 1 2002 and then became the Government Purchase Price (HPP) in 2005 (Maulana, 2012). The maximum price concept was then outlined in the Highest Retail Price (HET) policy stated in Minister of Trade Regulation No. 57/MDAG/PER/8/2017 concerning Determination of the Highest Retail Price for Rice.

The essence of implementing HPP is to provide incentives for rice farmers by providing guaranteed prices above the equilibrium price, especially during the peak harvest. Through the HPP policy, the government hopes that rice production can be increased to meet domestic supply needs, create price stability for grain and rice on the market, and increase the income of rice farmers. The policy for determining the HPP of grain that has been carried out so far is based on water content and void content, while the HPP of rice is the water content and broken grains of rice (Maulana, 2012).

Methods

The research used is a descriptive method. The population in this study was Perum Bulog, Central Sulawesi Regional Office, Disperindag, Central Sulawesi Province and the community. The determination of research subjects or informants was based on a purposive sampling approach. The data collection techniques used were interviews, observation, documentation and internet searching.

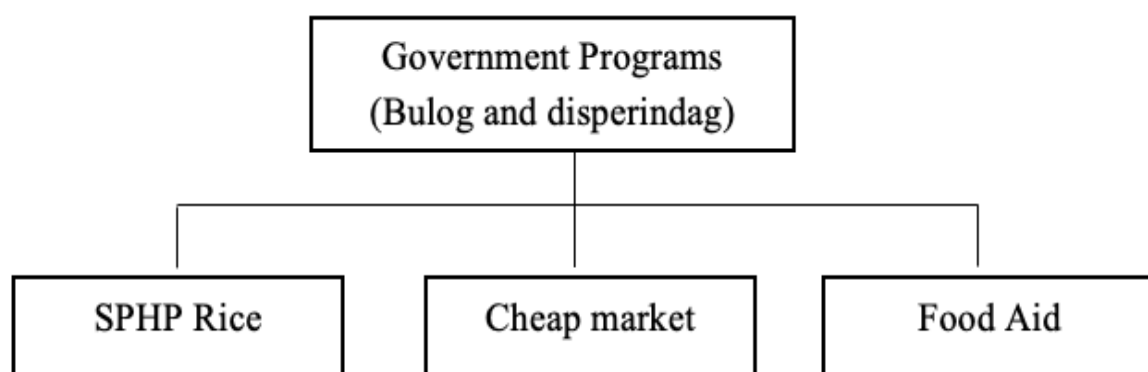
Results and Discussion

The role of government as a regulator

The government's role as a regulator is the government's efforts to create rules that regulate all economic activities in the context of stabilizing food prices, especially rice. Government policy in stabilizing food prices is regulated in Law Number 18 of 2012 concerning Food article 13 where managing the stabilization of food supply and prices is the government's obligation. Furthermore, in the Presidential Regulation of the Republic of Indonesia Number I25 of 2022 concerning the Implementation of Government Food Reserves, in order to provide food throughout the territory of the Unitary State of the Republic of Indonesia, it is necessary to control and manage Government Food Reserves, the implementation of which is assigned to Perum Bulog. In order to maintain the stabilization of the supply and price of rice, Perum Bulog through the Republic of Indonesia National Food Agency Regulation No. 15 of 2022 concerning the Stabilization of the Supply and Price of Rice, Corn and Soybeans at the Consumer Level is tasked with protecting purchasing power and price affordability for consumers, stabilizing the supply and prices of rice, corn and soybeans.

In order to carry out government programs and policies, in this case Perum Bulog is based on food agency regulations which contain the government purchasing price and the highest retail price for rice sales in the community, which is called SPHP. In terms of stabilizing the price of rice, the regional government is working together with Perum Bulog, to make this happen a program was created, namely the Cheap Market, SPHP rice, and most recently the distribution of KPM rice (beneficiary families).

Chart 1. Government programs



From the chart above, it can be seen that the government is serious about maintaining rice price stabilization, but it does not appear to be effective because the amount of rice used for this program has not been able to withstand price increases.

From the results of the interview, the causes of the increase in rice prices include the increase in fuel prices, then farmers experiencing difficulties with fertilizer and finally the unfavorable weather called El-Nino. In response to this, the government continues to intensify the cheap

market program. However, the regional government is not remaining silent. face this price increase. They took concrete steps by launching a low-cost market in collaboration with the Logistics Agency (Bulog). This action was taken in response to community needs that needed to be addressed due to the significant increase in rice prices.

The cheap market initiated by the regional government reflects their commitment to help the community overcome the economic impact of the increase in rice prices. Collaboration with Bulog also shows good cooperation between regional governments and related agencies in an effort to maintain price stability and provide solutions for the community. Thus, even though rice prices have increased nationally and are influenced by external factors such as weather and energy policies, local government efforts to provide affordable access through cheap markets show a proactive and responsible response to the needs of communities who need assistance in dealing with the economic situation. the hard one. this is proven from the following data:

Table 1. Cheap Market Activities Central Sulawesi Province Department of Industry and Trade

No	Nama Sub Kegiatan	Nama Aktifitas	Lokasi	Waktu	PESERTA
1	Operasi Pasar Dalam Rangka Stabilisasi	Pasar Murah Dalam Rangka HBKN Memperingati Hari Raya Imlek 2574	Kota Palu	07 - 08 Februari 2023	50 distributor/Pelaku Usaha
2	Harga Pangan Pokok yang Dampaknya Beberapa Daerah Kab/Kota dalam 1 (satu) Daerah Provinsi	Operasi Pasar Dalam Rangka HBKN Menyambut Bulan Suci Ramadhan 1444 H serta Pengendalian Inflasi Daerah	Kab. Toli-Toli	21 - 22 Februari 2023	20 distributor/Pelaku Usaha
3		Pasar Murah Dalam Rangka HBKN Menyambut Bulan Suci Ramadhan 1444 H serta Pengendalian Inflasi Daerah	Kota Palu	17 - 18 Maret 2023	50 distributor/Pelaku Usaha
4		Pasar Murah Dalam Rangka HBKN Menyambut Hari Raya Idul Fitri 1444 H serta Pengendalian Inflasi Daerah	Kota Palu	11 - 12 April 2023	50 distributor/Pelaku Usaha
5		Operasi Pasar Dalam Rangka HBKN Menyambut Hari Raya Idul Fitri 1444 H serta Pengendalian Inflasi Daerah	Kab. Sigi	14 - 15 April 2023	30 distributor/Pelaku Usaha
6		Pasar Murah Dalam Rangka Pengendalian Inflasi Daerah	Kab. Poso	25 - 25 Mei 2023	40 distributor/Pelaku Usaha
7		Operasi Pasar Dalam Rangka Pengendalian Inflasi Daerah	Kab. Buol	06 - 07 Juni 2023	10 distributor/Pelaku Usaha
8		Operasi Pasar Dalam Rangka HBKN Menyambut Hari Raya Idul Adha 1444 H serta Pengendalian Inflasi Daerah	Kab. Touna	15 - 16 Juni 2023	10 distributor/Pelaku Usaha
9		Pasar Murah Dalam Rangka HBKN Menyambut Hari Raya Idul Adha 1444 H serta Pengendalian Inflasi Daerah	Kab. Parimo	22 - 23 Juni 2023	10 distributor/Pelaku Usaha
10		Pasar Murah Dalam Rangka HBKN Menyambut Tahun Baru Islam 1445 H serta Pengendalian Inflasi Daerah	Kab. Morut	17 - 18 Juli 2023	10 distributor/Pelaku Usaha
11		Pasar Murah dan UMKM Dalam Rangka Upaya Pengendalian Inflasi Daerah dan Peningkatan Produk Dalam Negeri	Kota Palu	05 - 06 Agustus 2023	50 distributor/Pelaku Usaha
12		Operasi Pasar Dalam Rangka Pengendalian Inflasi Daerah	Kab. Banggai	26 - 27 Agustus 2023	10 distributor/Pelaku Usaha
13		Pasar Murah Dalam Rangka Pengendalian Inflasi Daerah	Kab. Morowali	07 - 08 September 2023	10 distributor/Pelaku Usaha
14		Pasar Murah Dalam Rangka Pengendalian Inflasi Daerah	Kab. Balut	27 - 28 September 2023	10 distributor/Pelaku Usaha
15		Operasi Pasar Dalam Rangka Pengendalian Inflasi Daerah	Kab. Bangkep	29 - 30 September 2023	10 distributor/Pelaku Usaha
16		Pasar Murah Pengendalian Inflasi Daerah	Kota Palu	13 - 14 Oktober 2023	10 distributor/Pelaku Usaha
17		Operasi Pasar Dalam Rangka Pengendalian Inflasi Daerah	Kab. Buol	23 - 24 Oktober 2023	10 distributor/Pelaku Usaha
18		Pasar Murah dalam rangka Pengendalian Inflasi Daerah	Kota Palu	27 - 28 Oktober 2023	50 distributor/Pelaku Usaha
19		Operasi Pasar Dalam Rangka Pengendalian Inflasi Daerah	Kab. Donggala	November	
20		Operasi Pasar Dalam Rangka Pengendalian Inflasi Daerah	Kab. Parimo	Desember	
21		Operasi Pasar Dalam Rangka HBKN Menyambut Hari Natal dan Tahun Baru serta Pengendalian Inflasi Daerah	Kota Palu	Desember	

Source: Central Sulawesi Department of Industry and Trade (30 October 2023)

This data shows cheap market activities carried out by the provincial Department of Industry and Trade. Central Sulawesi has carried out 21 cheap market programs in order to stabilize staple food prices in several areas in Central Sulawesi province from the beginning of 2023.

Although government measures to maintain affordable rice prices have had a positive impact, distribution challenges and strong market mechanisms require stricter regulations. Recommendations include increased market monitoring to ensure continued price stability and tighter regulation of out-of-region private distribution. Apart from that, there needs to be strategic steps to overcome external factors that influence rice prices, such as fertilizer availability and bad weather. From the results of the research above, it can be concluded that the government's efforts to stabilize rice prices in Central Sulawesi have not been fully effective. Even though the government has implemented various programs and policies, including the SPHP Rice program, cheap markets, and accelerated distribution of food aid, there are still challenges that affect the success of rice price stability. Some factors that influence the effectiveness of government efforts involve uncontrolled private distribution out of regions, lack of oversight of strong market mechanisms, and external factors such as rising fuel prices, farmers' difficulties with fertilizer, and bad weather.

Even though programs such as SPHP Rice have had a positive impact on the affordability of rice prices for the community, purchasing restrictions and other factors are still obstacles. The increase in rice prices is also still occurring, which shows that the challenges in maintaining price stability have not been fully resolved.

Recommendations for increasing the effectiveness of government efforts involve tighter oversight of private distribution, expanding regulations to address external factors influencing rice prices, and further evaluation of policies that have been implemented. Thus, the government can take further steps to increase rice price stability in the region.

The conclusion is that the government's role as a regulator in terms of stabilizing rice prices, especially in Central Sulawesi, has not been effective, because the price of rice, especially in Central Sulawesi, continues to creep up, the main reason being price competition between foreign and local traders at the mills, a shortage of rice stock has become a problem. In the Central Sulawesi region, because private distribution of rice out of the region is uncontrolled, the government should issue a regulation in terms of monitoring private distribution out of the region. Seeing that price increases continue to occur, researchers conclude that the efforts made by the government have not been successful in controlling the increase in rice prices, but in terms of price affordability, government policies are very effective.

The role of government as a producer

The government's role as a government producer is not only to provide infrastructure and public goods or services, but also "individual" goods (private goods). Some of the goods or services produced by the government are produced only by the government, and some are produced jointly with private producers. As a producer here, the government, in this case Bulog, produces rice that has been stored to be distributed back to communities whose areas are starting to experience price instability by selling at low prices. This role can be seen from government policies that carry out market operations or cheap markets and SPHP rice. Here the government carries out what is called price intervention or you could say it destroys market prices because it sells below market prices. The aim is so that people can afford the price. Bulog continues to intensify the distribution of rice. SPHP is on the market and according to him this can prevent price increases. The government can intervene in the rice market by selling rice at a lower price to the public through a subsidy program or distributing rice at an affordable price. In this way, the government helps keep rice prices stable and affordable.

The results of the interview show that the SPHP rice distributed by Bulog is not enough to withstand the increase in rice prices. One of Bulog's partners receives 50 packs of this rice per week or even per month. This is because SPHP rice is a government rice reserve (CPM) and the amount distributed must be adjust the CPM stock amount. The provision of SPHP rice is not only carried out by Bulog and its partners in the market, the regional government also collaborates with Bulog to distribute this rice, the government has a cheap market program, Perum Bulog, as a government institution that manages rice, has proven to be a reliable and reliable source of rice. has met strict food safety standards. Through collaboration with Perum Bulog, we can maintain the availability of rice in sufficient quantities so that it can accommodate the needs of the people who attend this cheap market. However, it cannot be denied that the total amount of rice above has not been able to cover or maximize the goal of stabilization and restraining the increase in rice prices. The rice above is part of the government's rice reserve stock (CBM) which is managed by Bulog. This CBM is sourced from local rice and also imported rice with the aim of anticipating natural disasters, such as currently the impact of El Niño or drought which results in decreased production yields or even crop failure as well as controlling inflation.

In this SPHP rice program, the government limits the number of purchases to 10 kilograms per person, this is a proactive step in preventing abuse and speculation in rice distribution. By limiting the amount that each individual can purchase, we can prevent certain people or entities from monopolizing rice stocks and ensure that rice is equitably available to all levels of society.

Apart from that, this restriction also aims to support national food security and rice security. By dividing rice stocks evenly among communities, we can ensure that rice is available to more people and will not experience significant shortages. This is very important especially in difficult times such as food crises or natural disasters.

The policy of purchasing a maximum of 10 kilograms per person also prioritizes the principle of social justice, where all levels of society have equal access to basic food ingredients, regardless of their social or economic status. In other words, this regulation helps support social inclusion and ensures that every citizen has equal access to rice at an affordable price.

Table 2. Total rice from Perum Bulog, Central Sulawesi

Satuan : Kg

NO	UNIT KERJA	BANTUAN PANGAN	KLDI (GOLANG)	SPHP	TOTAL
1	KANWIL SULTENG	5,760,370.00	89,805.00	3,048,096.00	8,898,615.00
2	KANCAB POSO	3,068,670.00	59,278.00	2,128,164.00	5,256,112.00
3	KANCAB LUWUK	2,267,530.00	96,342.00	1,028,342.00	3,392,214.00
4	KANCAB TOLI-TOLI	1,818,560.00	486.00	976,415.50	2,795,461.50
TOTAL		12,915,130.00	245,911.00	7,181,017.50	20,342,402.50

Source: Perum Bulog Regional Office of Central Sulawesi, (October 30, 2023)

Perum Bulog, as a government agency that manages rice, has proven to be a reliable source of rice and has met strict food safety standards. Through collaboration with Perum Bulog, we can maintain the availability of rice in sufficient quantities so that it can accommodate the needs of the people who attend this cheap market. However, it cannot be denied that the total amount of rice above has not been able to cover or maximize the goal of stabilization and restraining the

increase in rice prices. The rice above is part of the government's rice reserve stock (CBM) which is managed by Bulog. This CBM is sourced from local rice and also imported rice with the aim of anticipating natural disasters, such as currently the impact of El Nino or drought which results in decreased production yields or even crop failure as well as controlling inflation.

In this context, the Indonesian Government, through the Logistics Agency (Bulog), plays a role in producing and distributing rice in a program known as Rice SPHP. This program aims to maintain rice price stability and ensure public access to rice at affordable prices. However, there are several aspects that need to be considered in the government's role as a rice producer.

The following is data on the realization of sales of SPHP rice by Perum Bulog:

Table 3. Realization of SPHP rice sales for the 2020-2023 period of Central Sulawesi regional office Bulog

satuan : kg				
TAHUN	2020	2021	2022	2023
Januari	1,154,600.00	202,050.00	428,050.30	2,441,427.00
Februari	4,016,250.00	210,477.00	687,967.15	740,202.50
Maret	4,248,462.62	110,970.00	952,142.00	956,166.00
April	2,632,430.00	133,957.00	482,602.00	55,750.00
Mei	1,282,140.00	200,180.00	135,590.20	45,785.00
Juni	1,858,395.00	318,630.50	120,150.00	112,714.00
Juli	1,998,679.20	168,370.00	196,700.00	391,478.00
Agustus	834,895.77	157,991.00	1,190,644.00	957,395.00
September	635,740.00	278,699.50	1,093,888.00	120,100.00
Oktober	118,140.76	727,636.00	905,976.00	-
November	308,084.80	341,645.00	1,170,361.00	-
Desember	508,790.00	2,295,101.00	2,352,909.50	-
Total	19,596,608.15	5,145,707.00	9,716,980.15	5,821,017.50

Source: Perum Bulog (12 September 2023)

The table above is data on the realization of SPHP rice sales by Perum Bulog in the 2020-2023 period, reflecting significant fluctuations. When monitoring this data, it can be seen that there is an up and down trend in the number of sales. Interestingly, there were record lows in April and May 2023, even though empirically, rice remains a much-needed requirement in the field. This phenomenon raises questions about the causes of the decline in sales in that period.

Several factors may have an influence, such as adjusting the amount of government stock and the SOP for rice itself. The SPHP program carried out by the Government and Bulog involves selling rice at a lower price than the market price. The aim is to help people get rice at an affordable price. However, statements from business actors indicate that the amount of rice distributed may not be sufficient to reduce rice prices significantly. This can be a challenge due to limited rice stock availability

By embracing this regulation, the government and Perum Bulog strive to create a fairer, safer and more sustainable distribution of rice, as well as maintain the stability of rice supplies in

society. Reporting from the Sigi Department of Industry and Trade website, in accordance with I's direction as price monitoring officer, in this market operation activity, 1 ton of medium quality rice was provided by Perum Bulog at a selling price of IDR. 47,000/5 kg or equivalent to Rp. 9,400/kg. In order for market operations to be right on target and reach more people, a maximum purchasing quota is limited to 5 kg/person.

Based on the results of the interview above, the researcher draws the conclusion that what makes the cheap market and cheap rice ineffective in stabilizing rice prices is when supply and demand are unbalanced, where market demand is high but the government has not been able to meet the supply, weather variability, and program limitations. Bazaar. The disadvantage of cheap markets and SPHP rice is that there are no categories of people who can buy it. especially the rules for buying SPHP rice.

The role of government as a consumer

The Government's Role as a consumer The government's role as an economic consumer is to buy and use products, so that the wheels of the economy also run in balance. The government buys local rice and also imports tons of rice and then stores it to maintain stock availability. above the government, in this case Bulog buys rice from farmers or local producers and imports from other countries. The role of the government as a consumer to stabilize rice prices is very important in maintaining food security and community welfare. This is to maintain the provision of national food reserves.

The government is currently experiencing difficulties as a consumer due to non-compliance with COGS and prices at the local producer level, and also for exporters who have stopped their rice exports. The government must continue to act as a rice consumer due to the needs of various programs and needs of government agencies, if the supply is insufficient automatically the programs Government programs are not optimal, such as SPHP rice and also cheap market programs.

In Bapanas Regulation No. 6 of 2023 concerning government purchasing prices article 4, the head of the agency assigns Perum Bulog to purchase grain and rice based on HPP and fractional prices for grain and rice.

Data from the National Food Agency as of September 20 2023 noted that rice production this year is projected to only reach 30.83 million tons or lower compared to production in 2022 of 31.54 million tons, and 31.36 million tons in 2021.

Meanwhile, consumption this year is projected to reach 30.84 million tons. Referring to Bapanas data, this year's projected consumption will increase compared to the previous year of 30.2 million tonnes and 30.04 million tonnes in 2021.

So, this is what makes prices continue to creep up because the amount of local rice production is decreasing, and is inversely proportional to the level of public consumption which is actually increasing. In accordance with what the head of trade at the Central Sulawesi Department of Industry and Trade said, currently many people are increasing their rice purchases, which usually only buy around 10kg per week or even per month, now some people are buying 50kg directly.

This is also in line with what was said by TS, a rice business actor, that as the price of rice rises, people's purchasing power also increases because perhaps these people are afraid of not getting any rice. In conclusion, this means that the amount of production is less, causing prices to rise, then due to the lack of production, the public makes the amount of people's purchases brutal, aka uncontrolled. Even though the government is facing difficulties, its role as a rice

consumer is still important because rice is used in various government programs and the needs of government agencies. A lack of rice supply could disrupt programs such as the SPHP rice and cheap market programs. Therefore, Bapanas Regulation No. 6 of 2023 mandates Perum Bulog to purchase grain and rice based on HPP and fractional prices for grain and rice.

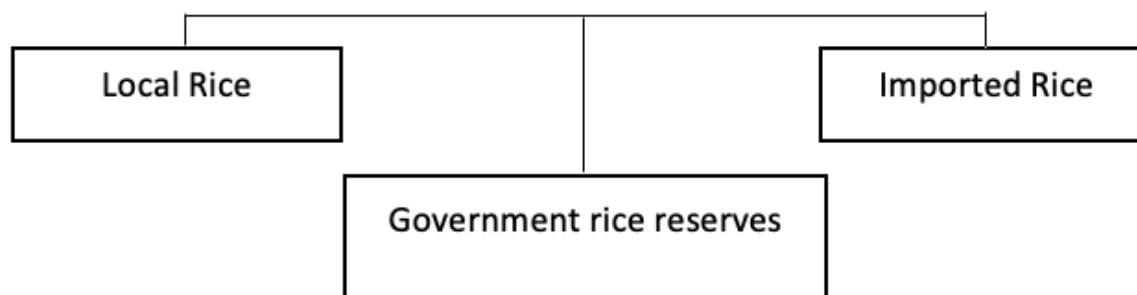
Overall, the government's role as a consumer in purchasing and using rice has complex implications for price stability, stock availability and the sustainability of the national food program. Wise steps are needed in adjusting HPP, increasing absorption efficiency, and managing rice imports to overcome the challenges faced by the government as a consumer.

Quoted from RRI.co.id, the Managing Director of Perum Bulog admitted that he did not have rice stocks to carry out the functions given by the government. Budi said that Bulog continues to absorb, it's just that the price of grain at the farmer level exceeds the Government Purchase Price (HPP). So, it is difficult for them to absorb it.

In other words, this means that apart from the government having difficulty following prices at the milling or farmer level, there are other challenges that must also be faced, namely the availability of milled stock which is not too abundant. The aim of the government's absorption of rice is not only as a food stock reserve, but also so that the price of rice does not fall due to abundant stocks, so if you look at the statement, when the price of grain and rice is below the HPP, it is Bulog's job to absorb as much as possible based on the HPP. However, currently the price of rice and grain is above the HPP, so farmers can gain greater profits by selling them to the public market, this is the problem felt by Perum Bulog.

The following is a chart of the government's absorbed rice sources which become the government's rice reserves which will be used for the SPHP program, cheap markets and social assistance:

Chart 3. CBM Sources



From the various explanations above, several conclusions can be drawn. Namely, the success of the SPHP program in stabilizing rice prices depends on the availability of adequate supply. If supply is insufficient to meet market demand, the program may not be effective in keeping rice prices affordable. Weather variability is an important factor in rice production, and unexpected weather changes can affect rice availability. This is a challenge that needs to be overcome by the government in maintaining price stability and rice availability.

The cheap market program carried out by the regional government also relies on rice from Bulog. This shows the importance of cooperation between the central government and regional governments in maintaining the availability of rice at affordable prices. Limiting the amount of rice purchased in the SPHP program is a step that has important reasons and benefits, including preventing misuse and maintaining national food security. However, this can also limit people's access to rice at affordable prices.

Overall, the government's role as a rice producer is an effort to maintain rice price stability, ensure food availability, and support social inclusion. However, this role is not without a number of obstacles and challenges that need to be overcome, including the availability of adequate supply and efficient distribution management.

Thus, the government's role as a rice consumer is key in maintaining price stability and food availability, even though the government faces challenges related to prices, imports and availability of rice stocks at the milling or farmer level. The government's decision to purchase rice based on COGS or market price conditions affects farmers and the overall stability of rice prices.

Conclusion

Based on the results of the research and discussion described above, the government's role in stabilizing rice prices in Central Sulawesi has not been optimal as assessed by 3 key indicators, as follows:

The role of the government as a regulator

The government has established regulations and policies, such as Law Number 18 of 2012 and Presidential Regulation Number 125 of 2022, as an effort to regulate and maintain rice price stability. Programs such as SPHP Rice and cheap markets have had a positive impact on price affordability for the community. However, distribution challenges and external factors such as fuel prices, farmer difficulties and bad weather are still obstacles, indicating that existing regulations are not fully effective in addressing all aspects that influence rice prices.

The role of the government as a producer

The government, through Bulog, plays a role as a rice producer through the SPHP Rice program and others. Restrictions on purchases under the program and limited rice stocks pose significant challenges, reducing the effectiveness of the program in stabilizing rice prices. Collaboration with local governments, such as through the cheap market program, shows collaborative efforts in maintaining the availability of rice at affordable prices, but is still faced with limited stock.

The Role of Government as a Consumer

The government as a rice consumer, through Bulog, is trying to maintain stock availability and stabilize rice prices through purchases from local farmers and rice imports. Difficulty in adjusting purchasing prices to market prices, both from local producers and through imports, creates obstacles to the effectiveness of national food programs. The challenge of rice imports from exporting countries shows that there is a global impact that influences government policies as consumers. The key is that even though the government has taken various steps and roles in maintaining rice price stability in Central Sulawesi, there are still obstacles that affect the success of these efforts. These obstacles include distribution challenges, stock limitations, and difficulty in adjusting purchase prices.

Therefore, although there is a positive impact from government programs, success in stabilizing rice prices has not been fully optimal. Further steps are needed, including improving program efficiency, adjusting regulations, and greater efforts to address emerging challenges.

Suggestions

The following are several suggestions based on an analysis of three indicators of the government's role in stabilizing rice prices in Central Sulawesi:

Role as Regulator: Regulatory Improvement: Re-evaluate Law Number 18 of 2012 and Presidential Regulation Number 125 of 2022 to ensure their relevance and effectiveness in overcoming the rice price problem. Consider changes or additions to regulations that are more in line with market dynamics. Then the researcher suggested that the regional government make a regulation where if the private sector wants to export rice outside the region, it must be given a quota and if it exceeds the quota, the private sector must sell it to the government. This can help absorb government rice reserves.

Strengthening Law Enforcement

Intensify law enforcement against illegal practices that can disrupt the distribution and availability of rice. Improve coordination between relevant agencies to ensure compliance with established regulations and policies.

Monitoring and Evaluation System

Build a more sophisticated monitoring system to track changes in rice prices in real-time. Conduct regular evaluations of existing regulations and policies to ensure their suitability and effectiveness.

Role as Producer

Increased Local Production

Support local farmers by providing technical assistance, financing and better market access. Develop incentivized programs to encourage increased local rice production.

Diversification of Food Sources

Consider diversifying food sources to reduce dependence on rice as the main product. Focus on developing other food products that can grow well in the region.

SPHP Program Optimization

Reevaluate purchase restrictions in the SPHP program to ensure that they do not hinder program effectiveness. Consider more adaptive stock management strategies according to changes in demand and supply.

Role as a Consumer

Purchase Price Adjustment

Implement a more flexible purchase price adjustment mechanism in accordance with local and global market conditions. Increase coordination with local producers to ensure that prices are set to support local farmers.

Diversification of Import Sources

Identify alternative import sources to reduce the impact of price fluctuations in major exporting countries. Consider collaborating with more rice supply countries to mitigate the risk of dependence on one or two import sources.

Increased Storage Capacity

Increase storage capacity at Bulog to overcome the challenge of limited stock. Evaluation of more efficient stock management strategies to optimize rice availability.

Improvement of the Agricultural Sector

It is hoped that these suggestions will help the Central Sulawesi government increase the effectiveness of its role in stabilizing rice prices. Implementation of these suggestions should involve collaboration between government, the private sector and society to achieve optimal results.

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