

CHAPTER VI

CONCLUSION AND RECOMMENDATION

6.1 Conclusion

Based on the empirical result and discussion presented before, by Autoregressive Distributed Lag (ARDL) that used in this method of analysis, where the result of ARDL analysis can find relation between quantity and price of domestic and import in beef. This topic is very interesting for the production of beef in Indonesia and accompanied by rising consumption levels and seem to make the beef between production and consumption levels and the price of a positive correlation. Rare beef, the price rises, market operations and the related government fickle effort on beef imports make beef as expensive goods in Indonesia. As an important item in Indonesia, the Ministry of Commerce set the beef as the national staples. Conclusion of this research can be explain as follows:

There is a positive relationship between quantity and price. Quantity is determined by the price of outstanding, for the results of the analysis using ARDL and discussion using the Armington Elasticity estimates that there are two periods are short term and long term. This is related to what policies the government should do to cope with the price of beef that is less stable and the scarcity of beef.

From the analysis, the value for Armington Elasticity for the short term is 0.8795 and the long term is 1.01282. This means that in the short term, domestic and imported goods are complementary goods because the value of Armington elasticity small than 1 (small elasticity). In the long term, domestic and imported

goods are substitutes because the value of Armington elasticity large than 1 (large elasticity).

6.2 Recommendation

Based on the analysis and discussion of the result of testing the hypothesis put forward some suggestions that may be useful for:

1. Government – as consideration in the decision-making, it is recommended that the government of Indonesia no need to rush into making a replacement policy for policies that failed to be realized. Blueprint of Beef Self-Sufficiency Program 2010, which applied in 2014 can be reused with the best. With the gradual construction or application by the government it would be possible Indonesia in 2017 can reach full PSDS.
2. Future Researcher - as reference material for further research, and was advised to try using another methods and variable or more variables used, as in the agricultural sector, transportation cost and other analysis policy to compare with this study.

