

## CHAPTER V. CONCLUSIONS AND RECOMMENDATIONS

### A. Conclusions

Based on the results of research that has been carried out in West Sumatra Province, it can be concluded that:

1. The results of the descriptive analysis revealed the fluctuations in the variables over the past five years. Rice prices in West Sumatra show a consistent upward trend, followed by the decline in rice production, resulting in reduced supply in the market and the increase in rice consumption that drives demand higher. In addition, the trend of increasing GKP prices as the main raw material for rice also encouraging the increase in rice prices in West Sumatra.
2. Simultaneously, Rice Consumption, Rice Production, and Harvested dry grain (GKP) Price have a significant influence on rice prices in West Sumatra, as much as 84.5%. While partially, Rice Consumption has a positive and significant influence on rice prices in West Sumatra; Rice Production has a negative but not significant influence on rice prices in West Sumatra; and Harvested dry grain (GKP) Price has a positive and significant influence on rice prices in West Sumatra.
3. The best ARIMA model selected to forecast rice prices in West Sumatra is ARIMA (2,1,8). The model consists of AR with order 2, differencing with order 1, and MA with order 8. So, the lowest rice price forecast results were obtained in January, amounting to Rp16,423. Meanwhile, the highest rice price occurred in December, amounting to Rp16,786.

### B. Recommendations

The author has several suggestions for related parties, namely:

1. The government is expected to form a team to record the distribution of rice coming out of West Sumatra Province so that the estimate of rice availability in West Sumatra Province can be more accurate.
2. The government is expected to implement the comprehensive regulations for anticipated the rice price increase, as projected in this study. These

regulations should include proactive market operations, such as the release of government rice reserves to stabilize prices, and targeted subsidies for farmers to support their production costs.

3. The next researcher is expected to be able to continue research related to rice prices to a scope that the current author can't achieved.

