

**FACTORS AFFECTING THE PRICE OF RICE IN WEST
SUMATRA**

UNDERGRADUATE THESIS

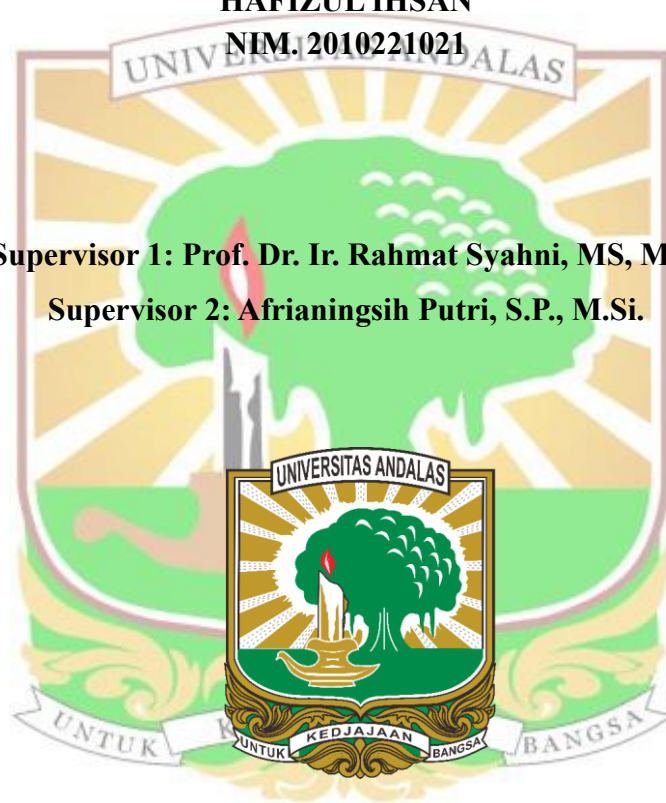
BY

HAFIZUL IHSAN

NIM. 2010221021

Supervisor 1: Prof. Dr. Ir. Rahmat Syahni, MS, MSc

Supervisor 2: Afrianingsih Putri, S.P., M.Si.



**FACULTY OF AGRICULTURE
UNIVERSITAS ANDALAS
PADANG
2024**

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ABSTRACT

Rice stands out as a primary commodity in Indonesia's food subsector. Statistic Indonesia-BPS shows that rice is the primary food for nearly 96,95% of Indonesians. Increasing rice prices will affect economic activities, particularly for low-income families. West Sumatra is one of Indonesia's central provinces for rice production but experienced one of the highest rice price in the Sumatra Region. This study aims to analyze the factors affecting rice price in West Sumatra and to forecast rice price in West Sumatra for the coming year. The method used is quantitative analysis by the multiple regression analysis and forecasting analysis, using monthly secondary data from 2018-2022. The variables used are rice prices in West Sumatra, rice consumption, rice production, and harvested dry grain (GKP) prices in West Sumatra. The results show that the R^2 value is 0.845, means the independent variables explain the rice price as much as 84,5%. The F-Test show that all variables simultaneously affect the rice price in West Sumatra with the significant value of F is 0.000. However, from the t-Test, rice consumption and harvested dry grain (GKP) price are the variables significantly affecting rice prices partially. While rice production does not have significant influence towards rice price in West Sumatra. The forecasting results show that there will be fluctuations in rice prices throughout 2024. The price of rice increased gradually from January to April, then decreased in May. Finally, it rose consecutively until December 2024. So, the government is expected to form a team to monitor the distribution of rice in West Sumatra and develop comprehensive regulations based on the results of this study to ensure the stability of rice price in the region.

Keywords: Rice, Rice Price, West Sumatra

