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Evaluation of Perum Bulog's Performance in Controlling Rice Prices in Sinjai Regency

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Abstract

This study aims to determine the performance of Perum Bulog in controlling rice prices and the factors that support and hinder rice price control. The data collection method used was by interviewing the employees of Perum Bulog. Interviews with employees of Perum Bulog in Sinjai Regency if there are indications that prices have gone up in the market, which are monitored or reduced directly from the Ministry of Industry and Trade, food security, Bulog and the food task force, to ensure that prices have indeed gone up or not and to find out the factors that support and hinder price control rice with data analysis method used using descriptive analysis. From the research results it is known that what causes the increase in rice prices is the quality and quantity of rice affected by the weather as well as the type and method of using fertilizers, the increase in the cost of goods purchased by the government (HPP), speculation on price increases, the increase in rice production costs. Steps to overcome this Bulog held a market operation to increase the supply of rice in the market. Market operations are an effective step in controlling rice prices, the problem is lack of order in making payments .

1. INTRODUCTION

Rice has a very important role in the life of the Indonesian people in terms of economic, labor, environmental, social, cultural and political aspects. The problem of rice is not a simple matter and is very sensitive so it must be handled carefully. Mistakes made in rice policies will have an impact not only on the condition of national rice but also on various other related fields. Like if something goes wrong which can cause the price of rice to soar, if it is not quickly resolved it will have an impact on rising prices of other goods or services. Therefore, in the history of rice in Indonesia, it has never been separated from the role of the government which deliberately participates in regulating the national rice economy. Government interference was seen in 2017 regarding the setting of the highest retail price (HET) for rice trade. The very special role of rice is one of the important reasons for government intervention in rice.

The level of government intervention can change at any time due to the changing roles of the above elements. However, completely giving up government interference in national rice has never been done because the risks are very big. The most dangerous risk is inflation caused by rising rice prices and partial hunger/malnourishment, but the government has never fundamentally changed the objectives of the national rice policy that has been carried out so far, which is still still revolves around maintaining the continuity of domestic rice production, protecting rice farmers and ensuring sufficient rice for the community so that they get easy access economically and physically in a sustainable manner. The government's intervention in the rice economy is carried out, among other things, through food institutions whose job is to carry out government policies in the field of rice both concerning pre-production, production processes and post-production aspects. One of the food institutions assigned by the government to deal with post-production issues, particularly in the areas of price, marketing and distribution is the Logistics Affairs Agency (Bulog). Institutions such as Bulog have existed since the pre-Dutch colonial era, during the Dutch colonial era known as (Voedings Middelen Fonds) VMF, during the Japanese colonial era known as Sangyobu Nanyo Kohatsu Kaisha, or also

during the independence era which underwent many changes since (People's Food Monitoring)) PMR, (Foodstuffs Foundation) BAMA, (Foodstuffs Affairs Foundation) YUBM, (Food Affairs Executing Agency) BPUP, Kolognas and Bulog. The duties and functions of these food institutions generally revolve around issues of price control, distribution and marketing. Only the main focus may vary between times and between these institutions.

Bulog is a government agency formed in 1967 based on Cabinet Presidium Decree No. 114/Kep/1967, which was assigned by the government to control price stability and supply basic commodities, especially at the consumer level. Bulog's role was expanded further by adding control over producer prices through basic price instruments to protect rice farmers. In subsequent developments, Bulog's role was not only limited to rice but also to controlling prices and supplying other commodities such as sugar, wheat flour, soybeans and animal feed, cooking oil, eggs and meat as well as spices, which were carried out incidentally, especially when the price situation increases. Prior to 1998, the tasks assigned to Bulog were aimed at controlling producer prices and maintaining the stability of consumer rice prices, as well as providing inter-temporal and inter-regional stocks of rice for routine distribution purposes and government reserves for emergencies or other needs. Producer price control weights and consumer prices balanced.

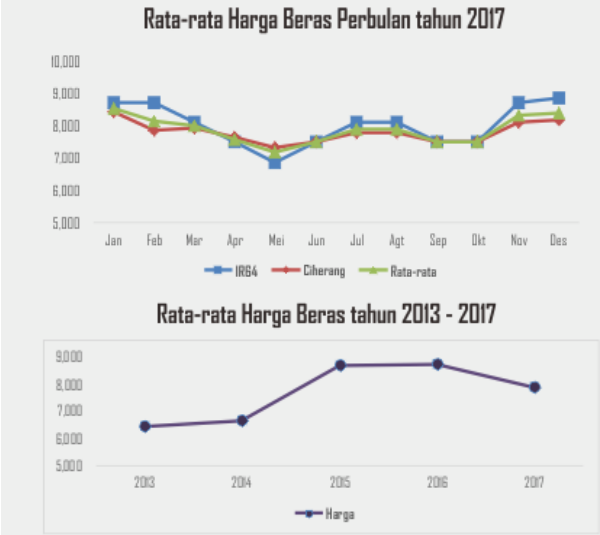
Starting in 1998, Bulog returned to only handling rice. The task given to Bulog has also changed due to changes in the government's rice policy. Protection for farmers through basic prices remains a top priority. Meanwhile, the stabilization of consumer prices began to decrease in line with the continued pressure on domestic rice prices. On the other hand, the role of Bulog in helping the poor who are food insecure is becoming increasingly prominent.

There are a number of important issues related to the role and tasks of Bulog recently and in the coming years, the first includes rice exports, where many people want to know how much Indonesia can afford to export rice without reducing demand. of domestic rice. In this case, Bulog has planned that the need for domestic rice must be fulfilled. If there is an opportunity to export on a certain type, it will be done. In addition, Bulog must also be anticipatory in observing developments in rice prices at the world level, including developments in the price and supply of rice in the country. Another question that arises regarding rice exports is the rice production target set by the Government initially, but conditions of flooding or long dry spells in various regions made it impossible to achieve the original target. In this case, the government will make adjustments to possible disturbances from nature which include the calculated factors that are outside the assumptions. In addition, Bulog also has a HPP policy, market stability, and maintains income feasibility for farmers, of course they are ready to make purchases under any circumstances.

Another problem is that the distribution of rice, especially rice for the poor, must really anticipate climate and weather developments. Both at the center and in the regions must take good anticipatory steps. This can be done in various ways by Bulog, the most important thing is that the people are not late in receiving rice supply services, and there is no shortage of rice in various regions.

Another issue concerns Bulog's assets which are scattered throughout Indonesia. It is time for Bulog to rearrange its assets so that they can generate good sources of income. Of course, the arrangement must be transparent, must be accountable, and then directed to get even better added value. Another problem currently faced by Perum Bulog is price stabilization. We know that it is not easy to stabilize prices, because there are market laws, market mechanisms, although they do not fully adhere to market fundamentalism, and there is always the role of the government. Going forward, the government expects Bulog to also stabilize prices excluding rice in an effort to keep inflation at a good level.

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Source: sinjaikab.bps.go.id

Picture. 1.1 Graph of Rice Prices in Sinjai Regency in 2013-2017

During 2017 rice prices tended to fluctuate slightly with an average IR64 rice price of IDR 8,031, and the price of Ciherang rice was IDR 7,808. In general, fluctuations in rice prices are still considered reasonable because they have a small deviation from the average, meaning that rice prices at the consumer level are still considered stable. If you look at the price of rice in the past five years, you can see that the average price of rice has been trending up and down. In 2015 there was a quite high increase compared to the previous year. This was due to the central government revoking the fuel subsidy and leaving it to the market mechanism. Of course, fuel prices will have a multiplier effect on all basic commodities, including rice. However, starting in 2016, the price of rice fell again until 2017 when the average price of rice was Rp. 7,882/kg. This is because as of 1 April 2016 the government revoked the fuel policy to the market mechanism and controlled fuel prices so that the prices of basic commodities returned to stability. Actually, under normal conditions, where the South Sulawesi region, especially in Sinjai Regency, is the largest rice producer in Indonesia and has a large area of rice farming land and has the potential to produce an abundant harvest, it will make the price of grain and rice cheap, but every month it increases, although not too much. big. This is because the majority of farmers in Sinjai Regency still use the seasonal cropping system, so agricultural yields are erratic due to weather factors.

Based on the description above, it can be concluded that Perum Bulog has a dual role, namely ensuring the availability of rice supplies and controlling rice prices in the market. From this, the writer was interested in conducting research with the title "Perum Bulog Performance Evaluation in Controlling Rice Prices in Sinjai Regency" .

2. LITERATURE REVIEWS

2.1 Bulog Public Corporation

As an institution assigned by the government to carry out rice policies, the future role of Bulog is closely related to the formulation of the policies that have been stipulated. Experience so far shows that Bulog can adapt itself to the tasks given because of its extensive and spread-out logistics network.

Operationally, Bulog can carry out tasks related to purchasing grain/rice or other food for the purposes of protecting farmers or other needs, storing reserves of rice or other food in Bulog warehouses for government food reserves to fulfill routine outlets to the government or the poor. , or rice reserves intended for incidental needs for handling the consequences of natural disasters, refugees or other emergencies. The existing network can also be used to assist the national logistics system for the community in the context of distributing or trading rice or food. The system and network currently being developed is quite broad, reaching out to villages.

a . Duties and Roles of Bulog

The task given to Bulog is the implementation of a price policy as proposed by Affif and Mears in 1969 which includes (1) supporting a base price that is high enough to stimulate production, (2) maximum price protection which guarantees a decent price for maximum consumers in order to stimulate trade , (4) reasonable price relationship between domestic prices and international prices (Mears, 1982).

To achieve the above objectives, the policy instrument packages adopted are: (1) setting a base price, (2) purchasing grain/rice produced during the harvest period, (3) providing additional salaries in the form of rice to civil servants and the TNI/Polri, (4) carrying out market operations by increasing the supply of rice to the general market during famine and in deficit areas, (5) isolating the domestic rice market from the influence of the world rice market through the rice import monopoly only by Bulog, (6) distributing rice to various regions and setting a different selling price for rice between regions to stimulate private trade. In terms of financing, Bulog's operations are also supported by low-cost credit originating from liquidity credit.

b. Procurement Flow

Procurement of Domestic Grain and Rice starts from farmers' production. With the existence of the Government Purchase Price (HPP), farmers are safe in carrying out their rice farming business. Domestic procurement is a price guarantee and at the same time a market guarantee for their products. With the "spirit" of production, 25 rice production will increase and domestic food (rice) availability will be sufficient. One of the pillars of food security, namely availability, can be achieved. Farmers with HPP have estimated prices to release their production. It is hoped that an open market option between Bulog and the public market will provide better bargaining power for farmers. With the HPP as a benchmark for the selling price, farmers can choose to sell to the public market or to Bulog. From the operational side of Bulog, there are three channels in absorbing farmer production, namely the Task Force, the Grain and Rice Processing Unit (UPGB) and Partners. The three channels buy grain directly to farmers using the HPP standard. In general, the grain purchased is unhulled in what quality it is (beyond the quality in the Presidential Instruction). Meanwhile, the grain received by Bulog is dry milled grain (GKG), namely grain with a maximum moisture content of 14% and a maximum void content of 3%. This quality is quite resistant to storage for a certain time and is ready to be milled to produce standard rice at the right time.

c. GCG Public Housing Bulog

The implementation of good corporate governance (GCG) is one of the important provisions in realizing the vision and mission as well as the sustainability of the company's business. The application of GCG principles in every management of the Company is beneficial for maintaining business performance and performance, increasing corporate value and maintaining the company's existence in global business competition.

3. RESEARCH METHODOLOGY

3.1 Data analysis techniques

In this study using a qualitative descriptive analysis method. According to Soerjono Soekanto "Qualitative data analysis is a research procedure that produces descriptive data, namely what is stated by respondents in writing or orally, and real behavior." The stages that must be carried out in analyzing qualitative research data are data reduction, data display, and conclusion (Mile and Haberman: 1992). The data that has been obtained is compiled in the form of data compilation, then data reduction or processing is carried out, producing data presentation and so on conclusions are drawn .

4. RESULTS AND DISCUSSION

4.1 Factors Supporting and Hindering Rice Price Control

a. Government Purchase Price Increase

Approaching the harvest season, the Government officially raised the Government Purchase Price (HPP) for farmers' grain. This policy was pursued by issuing Regulation of the Minister of Trade Number 24 of 2020 concerning Determination of Government Purchase Prices for grain or rice. Based on the copy of the Permendag, dry grain HPP (GKP) with a maximum water quality of 25 percent and a maximum void/dirt content of 10

percent rose to IDR 4,200 per kilogram (kg) at the farmer level and IDR 4,250 per kg at the milling level.

Furthermore, HPP Dry Milled Grain (GKG) with a maximum moisture content of 14 percent and a void/dirt content of 3 percent is valued at IDR 5,250 per kg at the mill and IDR 5,300 per kg at the Perum Bulog warehouse. As for the HPP for rice, it is IDR 8,300 per kg in the Bulog warehouse. With conditions, the moisture content of rice is a maximum of 14 percent, broken grains a maximum of 20 percent, a maximum content of groats of 2 percent and a minimum degree of saturation of 95 percent.

Previously, the HPP for grain and rice was regulated in Presidential Instruction No. 5 of 2015. Where, the HPP GKP at the farmer and mill levels was IDR 3,700 per kg and IDR 3,750 per kg, respectively. As for GKG at the mill, it is Rp. 4,600 per kg and at the Bulog warehouse, Rp. 4,650 per kg. while the price of rice at Bulog is IDR 7,300 per kg.

This reference price is used by Perum Bulog as a Food SOE assigned to absorb farmers' grain and sell rice to stabilize prices. The secretary at Perum Bulog said that Permendag 24 of 2020 would become a new foundation for Bulog to purchase rice. Especially in carrying out government assignments to absorb grain and supply rice.

b. Important Findings Related to Research on Evaluation of Perum Bulog's Performance in Controlling Rice Prices in Sinjai Regency

In 2020, the Sinjai Regency experienced a change in weather which resulted in heavy rains and resulted in flooding in a number of agricultural areas and triggered attacks by leafhoppers and rats. The damaged rice farming area reached 872 ha. This damage resulted in a smaller amount of grain harvested and lower quality. This condition caused the price of rice with all qualities to increase in price. The price increase was exacerbated by the rising cost of rice production from the transportation sector because some rice millers had to look for good quality grain outside the Sinjai area. The quality of rice plants can be improved by using organic fertilizers and balanced fertilization. In this way the rice plants will not easily collapse when exposed to the wind and experience flooding, and the rice grains will be fuller and not break easily.

Based on the results of an interview with Kerani Bulog, namely Mr. Adriansyah (29), said that if there are indications that prices have soared in the market, those who are monitoring or dropping directly from the Ministry of Industry and Trade, food security, Bulog and the Food Task Force, ensure that prices have indeed gone up or not, if the price is certain to go up Bulog goes down to the market to carry out OP (Market Operations) with the selling price determined by the Ministry of Trade which is commonly called the HPP (Government Purchase Price), Bulog also through RPK (Rumah Pangan Kita) works with the community to sell products from Bulog at the lowest price. affordable. Bulog also expanded sales through the marketplace at Shopee which can be accessed with ipanganadotcom, other staples besides rice are available, for purchases in the Makassar and Gowa areas, purchases at Shopee are free, no shipping costs are charged.

The results of interviews with Puang Lukman (48) Farmers in Sinjai Regency said that in 2020 they experienced crop failure or large losses compared to previous years. The loss is due to the reduced quality and quantity of their crops, unlike last year's harvests. The decline in quantity and quality was caused by extreme weather conditions which included heavy rains, strong winds, floods that submerged their rice, pest disturbances, Covid-19, there was not enough heat to dry their grain/rice.

The results of an interview with the community of Puang Rani (52) in Sinjai Regency said that they objected to the increase in rice, because they lived barely enough, their expenses continued to increase which required them to be able to deal with this situation. The

community considers that Perum Bulog's policy of dealing with rising prices by distributing Raskin and market operations is correct. Because by increasing the supply or supply of rice and competition in the market it can reduce the demand for rice from traders which causes their rice to not sell which they will deal with by lowering the price of rice so that their rice sells. With the Raskin distribution policy and market operations according to the community, the price of rice decreased after the time for Raskin distribution arrived and market operations were held for several weeks.

c. Factors Supporting and Hindering Rice Price Control in Sinjai District

Supporting factors for Perum Bulog Regional Sinjai Division in stabilizing the price of grain and rice at the producer level are the existence of relevant agencies that assist in the implementation of procurement, partners and the ADA DN task force, sufficient funds, available storage warehouses and quality of rice that meets the requirements. in controlling rice prices at the consumer level is sufficient rice to be distributed to consumers and the government's role as a monitor of consumer rice prices, and the government is swift in carrying out programs for underprivileged communities throughout Indonesia, such as the BPNT (Non-Cash Food Assistance) Program which was carried out by the Social Service, BSB (Social Rice Assistance) is carried out by Bulog, for now BSB assistance has stopped for Bulog, this program is enough to reduce market prices.

The inhibiting factors in the stabilization of grain and rice prices at the producer level are government purchasing prices that are set too rigidly and do not keep up with market developments and the small amount of medium rice production that can be absorbed by Bulog Perum, middlemen or traders hoarding grain and rice, which can cause prices to increase. ride. This research is in line with research conducted by Ibrahim Alwis Farras (2018) who examined the Performance Evaluation of Perum Bulog in Controlling Rice Prices with rising rice prices in the Province of North Sumatra, especially the city of Medan, which showed the results that the increase in rice prices and efforts to control rice prices carried out by Perum Bulog shows that it is not controlled due to a decrease in rice income in 2020. This is due to other factors that affect the fall in rice income in 2020, including, Covid-19, pest disturbances in rice, slow fertilizer assistance, and bad weather. uncertain.

5. CLOSING

5.1 Conclusion

Based on the results of research that has been done on the Performance Evaluation of Perum Bulog in Controlling Rice Prices in Sinjai Regency, it can be concluded:

1. If there are indications that prices have increased in the market, then Bulog will go to the market to carry out market operations at selling prices at the HPP (Government Purchasing Price). In addition, Bulog has also expanded sales through the marketplace at Shopee and can be accessed via ipanganadotcom. For purchases to Makassar and Gowa, purchases at Shopee are free, no shipping costs are charged.
2. Supporting factors in the stabilization of grain and rice prices at the producer level are related agencies assisting in the implementation of procurement, partners and the ADA DN task force, sufficient funds, available storage warehouses and rice quality that meets the requirements. While the inhibiting factors in the stabilization of grain and rice prices at the producer level are government purchasing prices that are set too rigidly and do not keep up with market developments and the small amount of medium rice production that can be absorbed by Bulog Perum, middlemen or traders hoarding grain and rice, which can lead to rising price.

5.2 Suggestion

Based on the results of the research that has been done, the research suggests several things, including:

1. The mechanism so far has been quite good and effective, however, it is necessary to improve implementation in the field in accordance with environmental conditions and maximize the role of Partners and the Task Force in absorbing ADA DN.
2. The government purchase price that is set should follow market price developments or be given incentives/additional prices so that farmers who usually sell their rice to other traders at higher prices will cooperate with Perum Bulog if the price offered by Perum Bulog is not too lower than the price. circulating in the market to support Perum Bulog in carrying out its duties and functions.

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