ABSTRACT

THE ANALYSIS OF THE DEMAND FOR RICE IN INDONESIA

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Rice is one of the important commodities in Indonesian society. The position of the rice commodity for most people in Indonesia are as a staple food, because almost the entire population of Indonesia need rice as a main food source besides an essential nutrient in the food structure, so that aspect of the provision becomes very important considering the number of Indonesian population is very large. In this case, the government is obliged to meet the needs of domestic rice consumption in order to improve food security in Indonesia.

This study aimed to analyze the factors that influence the demand for rice in Indonesia as well as the level of elasticity by using the Least Square method Ordinay. These factors are assessed effect on the demand for rice is rice prices, income, and number of people in Indonesia. The data used in this research is the data the period of 2001-2013. Results of this study explained that the price of a significant negative effect on demand for rice in Indonesia, as well as per capita income and the total population and a significant positive effect on demand for rice in Indonesia.

Keywords: demand for rice, the price of rice, per capita income, population