

ABSTRACT

THE EXISTENCE OF CASSAVA ACREAGE OF THE LAND USE COMPETITION IN LAMPUNG: A TIME SERIES ANALYSIS OF SUPPLY RESPONSE BY USING NERLOVIAN APPROACH

MA. IRSAN DALIMUNTHE

Lampung province has been experienced transformation from agricultural development, especially crops toward industrial development. It could be facing in the agricultural share of Product Domestic Regional Bruto (PDRB) tend to be smaller. The situation is a natural way. Demand for land will be higher and on the other hand the supply of land for agricultural development was restricted. Inferior commodity as cassava convert to the commodities give the higher of land rent economic value such rubber, palm oil and sugar cane.

The main focused of the research are first is to decide the best model equation to explain land conversion from cassava to others crops, The second is to analysis the value of supply elasticity of cassava. The analysis use time series data from 1980-2011 shows that linier regression model uses is productivity of some crops as independent variable rubber, palm oil and sugar cane againts cassava acreage existence at significant level 95%. The elasticity tend to be smaller, the indication is the crops have *decreasing return to scale* Price elasticity of supply in the short run 0,08 and in the long run 0,02 The application model in this research is *simple adaptive expectation partial adjustment mechanism* of Nerlovian. The result shows competitive crops cassava acreage is rubber, while palm oil dan sugar cane are complementary.

Second is elasticity value of cassava supply, The result shows that coeficient of elasticity tend to be smaller the result indicated the stage of production of the commodities was *decreasing return to scale*. Price elasticity found inelastic in the short run and in the long run. The fact finding also shows that short run elasticity bigger than in long run elasticity. Some researcher found that price elasticity of supply in the long run is large than in the short run. The completely on further research needs to be execute for acreage allotment models.

Key word: Land conversion competition, time series, acreage response and production response, supply elasticities, Nerlovian supply response.