

Government Strategy in Stabilizing Post-Harvest Agricultural Product Prices in Bima Regency

Armin Pane¹, Abdul Rahman², Sigit Wahyudi³

^{1,2,3}Universitas Waskita Dharma

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Abstract

This study aims to analyze government strategies in stabilizing post-harvest agricultural commodity prices in Bima Regency. A qualitative approach with a descriptive-analytical method was used. Data were collected through in-depth interviews, field observations, document studies, and SWOT analysis. The findings indicate that price fluctuations of major commodities such as corn, shallots, and rice remain a serious issue for farmers. Government strategies like minimum support prices and subsidies have not been fully effective due to limited infrastructure, weak inter-agency coordination, and low farmer participation. Therefore, there is a need to strengthen farmer institutions, develop post-harvest infrastructure, and utilize digital technology in distribution and marketing systems. These findings offer strategic recommendations for policymakers to establish a more resilient and sustainable price stabilization system.

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Corresponding Author:

Armin Pane

Universitas Waskita Dharma

Email: arminpane45@gmail.com

1. INTRODUCTION

The agricultural sector plays a strategic role in supporting the economy of agricultural areas such as Bima Regency. Primary commodities such as corn, shallots, and rice are not only the backbone of the local economy, but also a source of livelihood for most of its people. However, the reality in the field shows that farmers still face serious problems in the form of fluctuations in post-harvest agricultural product prices which have a direct impact on income, household economic stability, and regional food security. The imbalance between supply and demand in the market, the lack of distribution and storage facilities, and the dominance of middlemen in the supply chain are the main factors that exacerbate price instability [1], [2].

The urgency of this research is further strengthened by findings showing that rising production costs that are not balanced by stable selling prices can suppress farmers' incomes to the lowest point [3]. Similar phenomena also occur in various regions, such as North Sulawesi and Tanzania, where price instability causes small farmers to lose capital and even switch to non-agricultural work [4], [5]. Not only does it hit farmers, the spike in rice prices as a major food commodity also reduces people's purchasing power and worsens food security, especially for vulnerable economic groups [6].

The Indonesian government has implemented various policies to address this issue, such as setting a floor price (minimum support price) and direct subsidies to farmers. However, the effectiveness of these policies is still questionable. Several studies have stated that unsupervised price interventions have the potential to cause market distortion, overproduction, and unequal distribution of benefits [7], [8]. In addition, the conventional subsidy approach is considered not to have touched on the root of the long-term problem,

so that policy innovations are needed in the form of commodity diversification incentives, increasing post-harvest infrastructure, as well as agricultural trade reform [9].

In the context of Bima Regency, there has not been much research that has deeply analyzed the effectiveness of local government strategies in maintaining postharvest price stability, especially for three main commodities: corn, shallots, and rice. In fact, the success of price stabilization is crucial to ensure farmer welfare and support regional food security [10]–[12]. Therefore, this research is important to fill this gap.

This study aims to analyze government strategies and policies in stabilizing post-harvest agricultural product prices in Bima Regency, by evaluating the effectiveness of the implementation of programs that have been run, identifying challenges faced, and offering alternative policy solutions that are more adaptive and sustainable. The findings of this study are expected to be concrete recommendations for policy makers in designing a price stabilization system that is more resilient and responsive to the dynamics of the local agricultural market.

2. RESEARCH METHOD

This study uses a qualitative approach with a descriptive-analytical method to explore and analyze the government's strategy in stabilizing post-harvest agricultural product prices in Bima Regency. The research location was chosen because of the characteristics of the agricultural region with high dependence on corn, shallots, and rice commodities.

Data collection was conducted through three main techniques: in-depth interviews with farmers, market players, and government officials; field observations of distribution, storage, and market interactions; and document studies from agencies such as the Department of Agriculture and BPS. Research instruments included interview guides, observation sheets, and document analysis guides.

Data were analyzed qualitatively through the stages of data reduction, data presentation, and drawing conclusions. The analysis was also strengthened by the SWOT approach to evaluate the strengths, weaknesses, opportunities, and threats of government strategies. Data validity was guaranteed through triangulation of sources and methods to increase the validity of the findings.

3. RESEARCH RESULTS AND DISCUSSION

3.1. Research result

The results of this study were obtained through in-depth interviews, field observations, document studies, and SWOT analysis. The findings show that farmers in Bima Regency face significant difficulties due to fluctuations in agricultural product prices, especially corn, shallots, and rice. Post-harvest price instability causes income uncertainty, so that farmers experience obstacles in planning their farming businesses sustainably. In addition, farmers complain about limited access to markets and the dominance of middlemen as the main intermediaries in the distribution process of their crops. Several farmers acknowledge the existence of price stabilization programs such as purchases by Bulog and the provision of fertilizer subsidies, but they consider that the benefits of these programs have not been optimally felt due to limited socialization and uneven distribution of the program.

Market players reported that commodity price dynamics are highly influenced by seasonal factors and changing weather conditions. They consider the government to be insufficiently present in regulating and supervising price distribution. The long distribution chain and dominance of middlemen cause prices at the farmer level to be low. Market players recommend that the government strengthen the role of cooperatives, provide direct distribution channels to consumers, and implement a price digitalization system to ensure market transparency.

From the government officials, it is known that the strategies that have been implemented include setting reference prices, post-harvest assistance programs in the form of extension and warehouse construction, and encouragement for commodity diversification. However, the success of implementing this strategy is still constrained by budget constraints, weak inter-agency coordination, and low farmer participation in the programs provided. The government recognizes the need for policy improvements by emphasizing the empowerment of farmer groups, strengthening local institutional capacity, and integrating technology into the agricultural product distribution system.

Field observations show that the process of distributing crops from farmers to the market still involves many intermediaries. This causes farmers' selling prices to drop drastically and the travel time from harvest to consumers to be long due to limited infrastructure. Storage facilities such as warehouses and cold storage are also very minimal and unevenly distributed, which exacerbates farmers' losses due to damage to crops. The dominance of large traders in determining prices in local markets shows oligopolistic market practices, which are detrimental to farmers' bargaining position.

Based on document studies, it is known that although agricultural production in Bima Regency has increased in the last three years, it is not followed by adequate price stability. Price fluctuations, especially for shallots and corn, are still high. Policy documents indicate the existence of regulations on floor prices and post-harvest assistance, but their implementation is still limited to certain areas. The annual report of the Department of Agriculture also notes that most price stabilization programs have not reached their targets, due to budget constraints and lack of assistants.

Through SWOT analysis, it was found that the main strength of the government's strategy is the existence of a basic price policy and subsidies for farmers. However, there are weaknesses such as minimal supporting infrastructure and weak implementation of policies in the field. Opportunities that can be developed include collaboration with cooperatives, microfinance institutions, and the use of digital technology in distribution and marketing. Meanwhile, the threats faced include the impact of climate change, global market volatility, and increasingly complex logistical constraints.

3.2. Discussion

The results of this study strengthen the findings that confirm that fluctuations in agricultural product prices have a direct impact on the instability of farmers' incomes, especially in agrarian areas that are highly dependent on certain commodities [13]. In the context of Bima Regency, this problem is further exacerbated by limited market access and farmers' dependence on middlemen as the only distribution channel. This is also in line with findings that state that the basic price policy will not be effective without targeted supervision and distribution [14], [15].

Market players' recommendations for the government to strengthen the role of cooperatives and provide direct distribution channels to consumers are supported by various previous studies. Several findings emphasize the importance of digitizing distribution systems and price transparency to shorten supply chains and increase market efficiency [16], [17]. In addition, strengthening local institutions through farmer cooperatives can provide better bargaining power in the market [18]. Other findings also highlight the importance of reducing the dominance of middlemen to create a fairer and more competitive market [19].

The limitations of policy implementation found in this study are also confirmed by findings that state that weak coordination between agencies is a major factor in the low effectiveness of public policies in the agricultural sector [20]. This is also supported by studies that emphasize the importance of active farmer participation and program

sustainability in ensuring policy effectiveness [21]. In the context of Bima Regency, low farmer participation and minimal institutional capacity require a strategic transformation towards a more inclusive and technology-based direction [22].

Field findings related to the dominance of intermediaries and minimal storage facilities are also in line with research showing that inefficiency of the distribution chain causes low selling prices at the farmer level [23]. Other findings also identify that uneven logistics infrastructure is a major obstacle to stabilizing agricultural product prices. Dependence on traditional markets without technological innovation makes the distribution system unable to respond adaptively to fluctuations in supply and demand [24], [25].

Considering the results of previous research and evidence, it can be concluded that the government's strategy in stabilizing agricultural prices in Bima Regency requires fundamental improvements. Policy reforms should include strengthening farmer institutions, improving post-harvest infrastructure, digitizing crop distribution, and stricter supervision of market trading practices. Integrating community-based and technology-based approaches will be key to creating sustainable price stability and improving farmer welfare in the future.

4. CONCLUSION

Based on the results of research on government strategies in stabilizing post-harvest agricultural product prices in Bima Regency, it can be concluded that the efforts that have been made still face various structural and implementation challenges. Price instability experienced by farmers is not only caused by market factors, but also by weaknesses in distribution infrastructure, limited storage facilities, and the dominance of middlemen in the supply chain. Although there have been policies such as setting basic prices and subsidy programs, their effectiveness has not been optimal due to weak coordination, low farmer participation, and lack of innovation in the agricultural product marketing system.

These findings indicate that price stabilization is not enough through price intervention alone, but requires a more comprehensive and adaptive approach. Among them are strengthening farmer institutions through cooperatives, utilizing information technology to create price transparency, and building post-harvest infrastructure that supports the resilience of production results. In the future, local governments need to design cross-sector collaborative strategies that are not only reactive to price fluctuations, but also proactive in building a resilient and sustainable agricultural system. Thus, price stability can not only be achieved, but also become a foundation for improving farmer welfare and food security at the local level.

5. BIBLIOGRAPHY

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