EVALUATION OF THE IMPLEMENTATION OF THE GOVERNMENT PURCHASE PRICE GRATITUDE ABSORPTION PROGRAM IN XXX DISTRICT, ACEH PROVINCE

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Abstract

This study aims to evaluate the effectiveness of the implementation of the Government Purchase Price (HPP) policy in XXX Regency, a rice production center in Aceh Province. The method used in this study is the Importance-Performance Analysis (IPA) approach to assess farmer satisfaction and perceptions of the Government Purchase Price policy. The results show that most indicators have a high level of importance and performance, such as the availability of fertilizers and pesticides, land productivity, facilities and infrastructure, the availability of extension workers, and government program support. These factors are the main strengths that need to be maintained to maintain the sustainability of farming businesses. However, several important aspects were also found to have low performance, such as the price of grain according to the Government Purchase Price, transparency and speed of absorption by Bulog, access to financing, and suboptimal farmer institutions. This indicates the need for more attention to the agricultural marketing system and empowerment of farmer institutions to improve the welfare and competitiveness of farmers in XXX Regency.

Keywords: Value Chain; Rice Commodity; Purchase Price; Government

1. INTRODUCTION

Rice is a staple food for the Indonesian people and a key determinant of the well-being of millions of farmers [1]. It is not only a source of food but also a primary source of livelihood. Aceh is known as one of the national food barns in western Indonesia, with several rice production centers, such as XXX Regency. This regency consistently contributes significantly to total rice production in Aceh, supported by adequate rice paddy area and favorable agro-climatic conditions. Despite this sector's significant potential, challenges remain in sustainably improving farmer welfare. Amidst the growing national demand for food, the transformation of the agricultural value chain is a crucial aspect that requires attention. This transformation encompasses not only cultivation and production, but also distribution, marketing, and processing of harvested crops to generate higher added value for farmers [2].

As part of efforts to support farmers and maintain price stability, the government through the National Food Agency (Bapanas) has set a Government Purchase Price (HPP) policy for Harvested Dry Grain (GKP) of IDR 6,500 per kilogram, as stated in the Decree of the Head of Bapanas Number 14 of 2025 [3]. This policy aims to guarantee a minimum price for selling unhusked rice at the farmer level, so that they still obtain a decent profit despite price fluctuations in the market. The essence of the HPP implementation is to provide incentives for rice farmers by guaranteeing prices above the equilibrium price (price market clearing), especially during the main harvest. Through this Government Purchase Price policy, the government hopes, first, that rice production can be increased to meet domestic supply needs; second, that rice prices will be stable; third, that the income of farmers and rice farming businesses will increase [4] and [5], encouraging national economic growth. However, the implementation of the policy of absorbing unhusked rice through the Government Purchase Price in various regions still faces quite complex obstacles [6]. In several regions, including XXX Regency in Aceh Province, Bulog's absorption rate is not optimal due to substandard grain quality, limited post-harvest facilities, and fluctuating price dynamics. Other factors such as

weak coordination between stakeholders and supply chain imbalances also worsen the effectiveness of the Government Purchase Price policy implementation [7]. In addition, the government targets Perum Bulog to absorb 3 million tons of grain and rice equivalent during 2025 to strengthen national food reserves. The achievement of domestic procurement throughout 2024, which reached 1.26 million tons—the highest in the last five years—demonstrates a strong commitment to realizing national food security [8]. However, the success of this policy is highly dependent on the effectiveness of its implementation in the field. Several production centers in Aceh, such as XXX Regency, have their own characteristics and challenges that need to be comprehensively mapped. Against this background, this study aims to evaluate the effectiveness of the grain absorption program through the Government Purchase Price (HPP) mechanism in XXX Regency.

2. IMPLEMENTATION METHOD

Time and Location

This research was conducted in August – November in XXX Regency in 2025.

Data collection technique

The respondents in this study were rice farmers in XXX district. The method for determining respondents used purposive sampling, which is a sampling technique that deliberately selects certain people who have been determined by the researcher, [9]. The respondents selected in this study were 42 rice farmers.

Method

The data analysis method used in this study is the Importance Performance Analysis (IPA) method, by identifying the structure of the rice value chain from upstream (production input) to downstream (processing and distribution). Importance-performance analysis (IPA) is a statistical technique used to rank various elements. In this study, what will be assessed by farmers are indicators of rice absorption at government purchase prices for Upstream, Farming, Processing, and Downstream. The importance performance analysis method maps each item of satisfaction measurement indicators into 4 quadrants. The first quadrant (concentrate these) is a quadrant containing satisfaction measurement indicators whose expectations of service recipients are very high because they consider these indicators to be very important in the service they receive. The second quadrant (keep up the good work) is a section containing service indicators considered important by customers. Satisfaction indicators in this quadrant are indicators of high satisfaction and good service quality. The third quadrant (low priority) is a section filled with satisfaction indicators considered less important by customers. The fourth quadrant (possible overkill) is the section that contains service indicators that are considered less important by customers, and are felt to be excessive because the quality of service provided is higher than customer expectations [10].
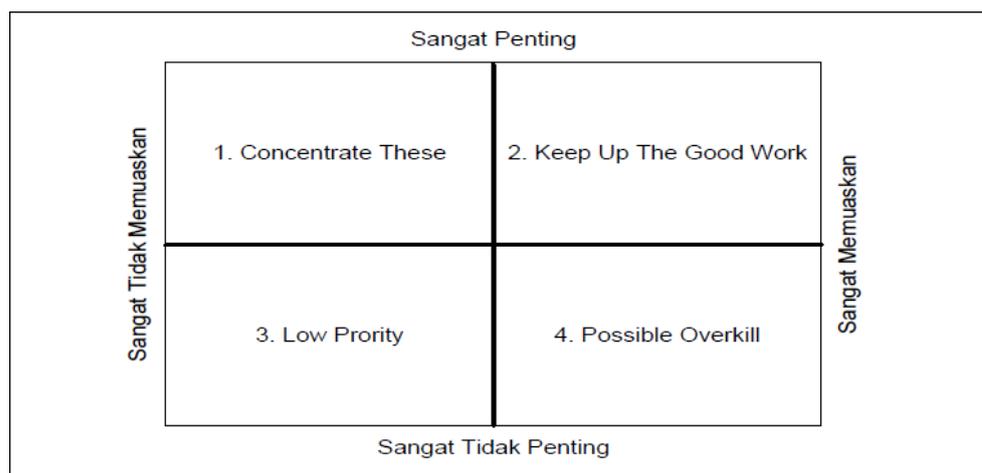

Figure 1. Importance-Performance Analysis Quadrant

3. RESULTS AND DISCUSSION
3.1 Importance Performance Analysis (IPA) District XXX
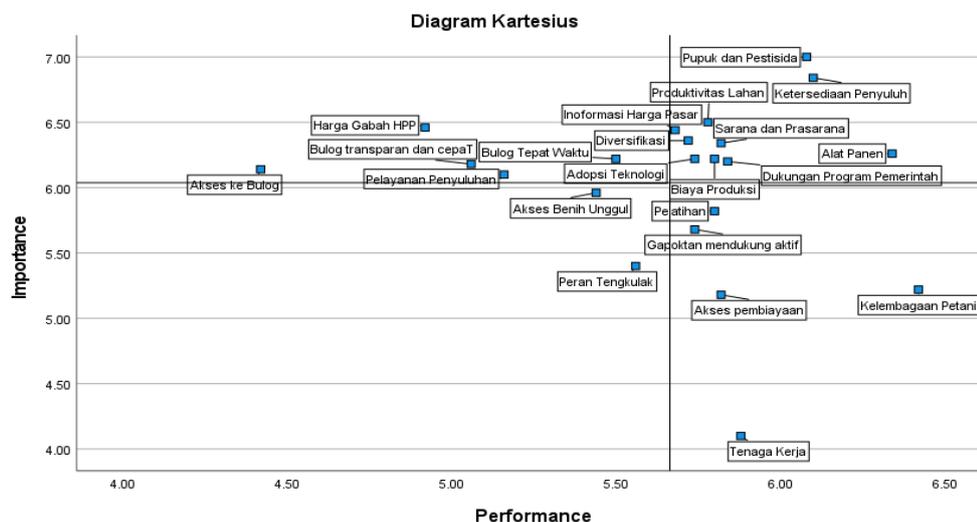The following is a Cartesian diagram using the IPA method, including:

Figure 2. Cartesian diagram of the science method

Based on the analysis results using the Importance Performance Analysis (IPA) method presented in the Cartesian Diagram above, it can be explained that the position of each indicator describes the level of importance (importance) and level of performance (performance) of the factors that influence the development of rice farming in XXX Regency. **In Quadrant I (Main Priority)** , there are indicators of HPP Rice Price, Bulog is transparent and fast, and Access to Bulog which have a high level of importance but their performance is still low. This condition shows that farmers in XXX Regency consider the aspect of harvest marketing and the mechanism for rice absorption by Bulog to be very important because it is directly related to their income. However, in its implementation, rice absorption by Bulog is still not optimal, and the selling price at the farmer level often does not match the government purchase price (HPP). In addition, Bulog's administrative process and transparency in purchasing rice are still considered slow and complicated. Therefore, this indicator is a top priority that must be improved, by strengthening coordination between Bulog, local governments, and farmer groups so that the harvest marketing system is more efficient and pro-farmer.

Meanwhile, **Quadrant II (Maintain Achievement)** includes indicators that have equally high levels of importance and performance, such as Fertilizer and Pesticides, Land Productivity, Availability of Extension Workers, Facilities and Infrastructure, Harvesting Equipment, Production Costs, Market Price Information, Diversification, and Government Program Support. This condition indicates that XXX Regency has a fairly good agricultural system in terms of the provision of production facilities, government support, and extension services. Increased land productivity and farmer access to agricultural machinery also show positive results. These factors need to be maintained and improved continuously because they have been effective in supporting the success of farming businesses and improving farmer welfare.

In Quadrant III (Low Priority) , several indicators, such as Training, the Role of Middlemen, Access to Financing, and Labor, have equally low levels of importance and performance. This condition indicates that farmers in XXX Regency have not placed significant attention on training and financing aspects, while the availability of agricultural labor has also begun to decline due to the shift in interest of the younger generation to the non-agricultural sector. Although this indicator is not a top priority, strengthening farmer capacity through training and easy access to business capital remains crucial in the long term to ensure the agricultural sector remains competitive and sustainable.

Quadrant **IV (Excessive)** contains indicators of Gapoktan actively supporting and institutionalizing farmers, which have a high level of performance but are considered less important by farmers. This indicates that the government and supporting institutions have made efforts to strengthen institutions and farmer groups, but the benefits have not yet been felt by farmers. In this context, institutional activities need to be evaluated to be more

directed at activities that directly support increasing farmer incomes, such as strengthening market access, group financing, and production management, rather than just organizational administration.

4. CONCLUSION

Based on the analysis results using the Importance Performance Analysis (IPA) method on factors that influence the performance of rice farming businesses in XXX Regency , it can be concluded that in general the agricultural sector in this regency has shown quite good development. Factors such as the availability of fertilizers and pesticides, land productivity, agricultural facilities and infrastructure, the availability of extension workers, and support from government programs are indicators with a high level of importance and performance, so they need to be maintained to maintain stability and increase agricultural output. However, several important indicators such as the price of rice according to the HPP, Bulog transparency, and farmer access to financing institutions and farmer institutions still show low performance despite having a high level of importance for farmers. This condition indicates that although physical facilities and technical support are relatively good, the agricultural marketing system and socio-economic institutional aspects still require serious attention to strengthen the position of farmers and improve their welfare in XXX Regency.

THANK YOU NOTE

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