

I. INTRODUCTION

1.1 Background

The agricultural sector in Mojokerto Regency is dominated by the food sub-sector commodity produced, namely rice which has an important role as a food source consumed by the majority of the Indonesian population. The largest contributor to the Gross Regional Domestic Product (GRDP) in Mojokerto Regency is the food crop sector of 87,786.26 billion rupiah which compared to other subsectors in horticultural crops contributed 34,080.38 billion rupiah, plantation crops subsector of 51,192.01 billion rupiah, livestock subsector of 79,485.09 billion rupiah, forestry and logging subsector of 13,626.95 billion rupiah and fisheries subsector of 67,756.10 billion rupiah. This shows that the contribution of the food crop subsector is the highest subsector in contributing GRDP in Mojokerto Regency as shown in Appendix 5.

Based on this data, it can be concluded that food plants are plants that have benefits as consumables either consumed directly or through the processing process first. Food crops are the main factor in food security which is important in the enforcement of food sovereignty (Kurniati *et al.*, 2022). Food availability is a very important element in realizing food security, because its existence is the main requirement for meeting food needs and consumption both for the community in general, households, and individuals by seeing food as a basic need for humans (Farid *et al.*, 2021). Food crops include plants with carbohydrate content ranging from peanuts, soybeans, corn, rice, cassava, and sweet potatoes. Rice plants are one of the types of food crops with the highest production rate with an average figure

of 299,277 tons/year in 2020 – 2023 which is presented in the data shown in Figure

1.1.

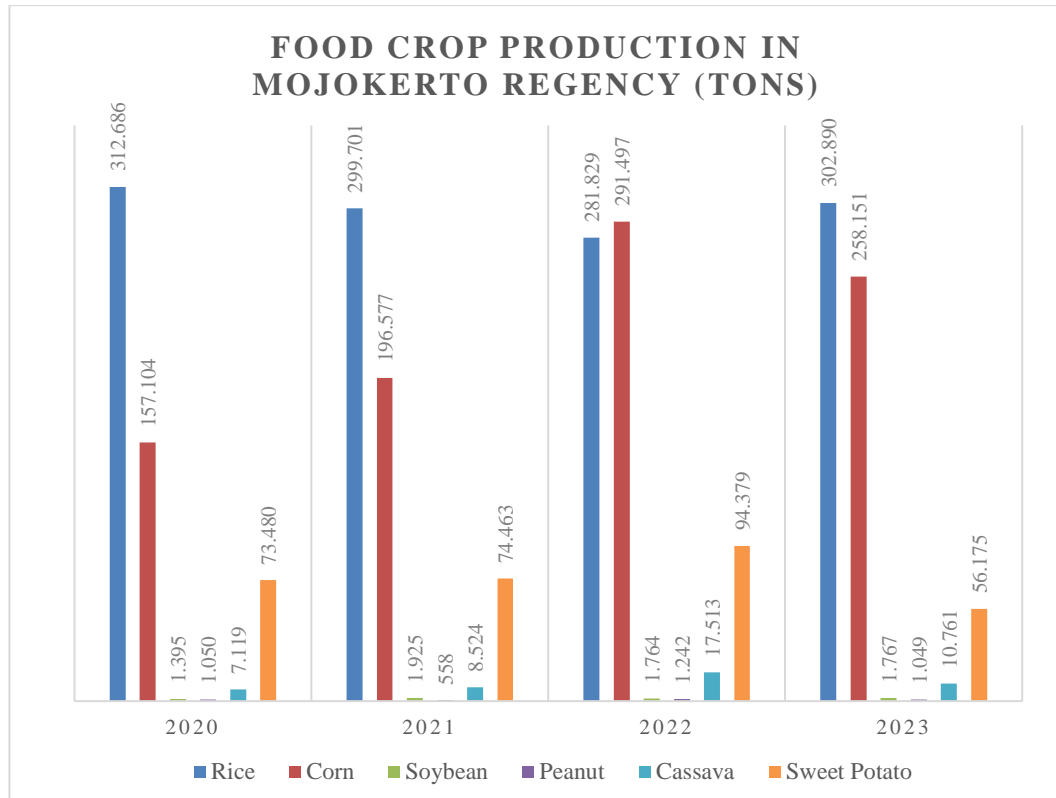


Figure 1. 1 Food Crop Production in Mojokerto Regency, 2020-2023
Sources: BPS Mojokerto Regency, 2025

The condition of high food crop production makes a positive contribution to meeting the food needs of the community and has the potential to be one of the supporting factors in encouraging economic growth in Mojokerto Regency. The Mojokerto Regency area is one of the contributors to food crop production, namely rice in East Java Province with the average rice production in Mojokerto Regency reaching 297.648,79 tons/year from various areas in East Java Province. The average amount of rice production produced makes Mojokerto Regency the 12th ranked rice production contributor in East Java Province as shown in Appendix 6. This achievement is certainly influenced by the geographical location of Mojokerto

Regency which supports rice crop production. Although the potential for rice production in Mojokerto Regency is included in the high category, it has not been fully balanced with the stability of rice prices as presented in the data in Figure 1.2.

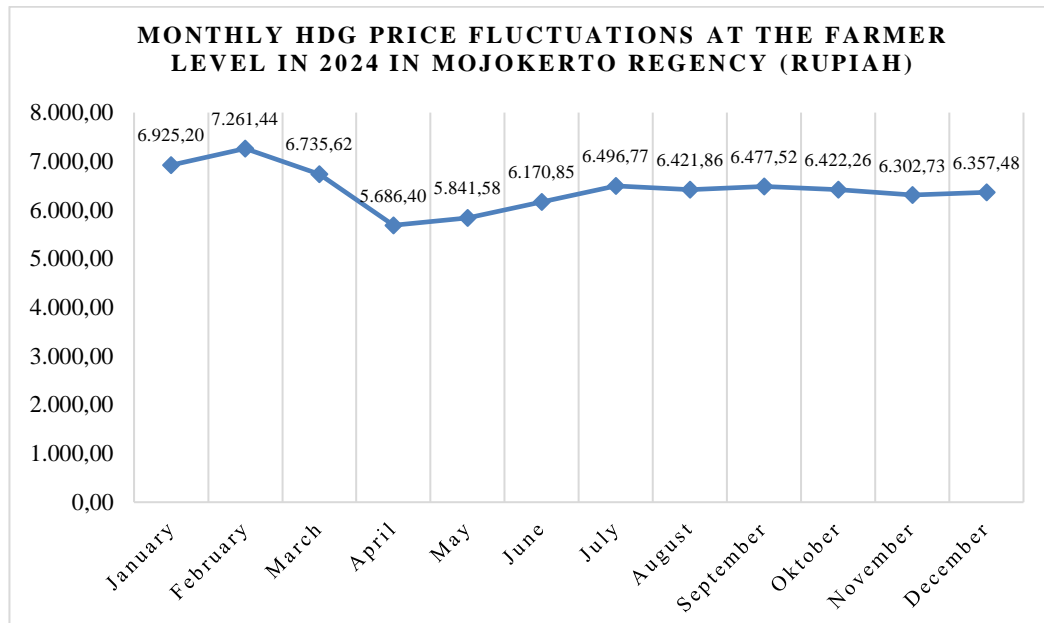


Figure 1. 2 Fluctuations in Monthly Harvested Dry Grain Prices (HDG) Rp/Kg at the Farmer Level, in 2024

Sources: BPS Mojokerto Regency, 2024

The instability of the price of Harvested Dry Grain (HDG) makes it difficult for farmers to estimate the income that will be obtained. This situation can reduce the motivation of farmers to continue to increase their productivity because it does not break even with the production costs incurred during the planting to harvest process. In practice, in the field, the determination of the Government Purchase Price (GPP) is often not in line with the increase in production costs such as the price of fertilizers, seeds and labor. Conditions like this make it difficult for farmers to estimate the net income obtained. The selling price of grain is influenced by the price of grain absorption absorbed by Perum Bulog. This is supported by grain absorption data presented through Table 1.1.

Table 1. 1 Grain Absorption as of February – May 2025 in Mojokerto Regency

Yes	District Name	Quantum (kg)
1.	Jetis District	968.612
2.	Mojosari District	785.159
3.	Trowulan District	768.163
4.	Dlanggu District	720.429
5.	Jatirejo District	635.923
6.	Kemlagi District	564.063
7.	Pacet District	556.613
8.	Kutorejo District	537.972
9.	Puri District	523.592
10.	Sooko District	438.561
11.	Gedeg District	386.399
12.	Mojoanyar District	369.626
13.	Bangsals District	329.918
14.	Pungging District	252.515
15.	Dawarblandong District	231.911
16.	Gondang District	163.666
17.	Ngoro District	158.649
18.	Trawas District	4.114
TOTAL		8.391.884

Source: Perum Bulog Mojokerto Area, 2025

The grain absorption program by Perum Bulog contributes to protecting farmers' income, this was revealed by rice farmers who also support the grain absorption program through the sale of grain to the Mojokerto Area Perum Bulog. The Government Purchase Price Policy (GPP) of grain in 2025 based on the Decree of the Head of the National Food Agency of the Republic of Indonesia Number 2 of 2025 related to Changes in Government Purchase Prices and Rationing of Grain and Rice Prices received a good response from farmers as shown by farmers' confidence in the quantum of grain sales to Bulog Mojokerto Area with the highest grain procurement reaching 968,612 kg occupied by the Jetis District area.

The dynamics of rice farming in the Jetis District area before the National Food Agency Decree Number 2 of 2025 in the category of Harvested Dry Grain (HDG) was priced at Rp 5,500-6,000/Kg, while after the issuance of the policy,

Perum Bulog was able to absorb Harvested Dry Grain (HDG) at a price of Rp 6,500/Kg. Government price policy instruments through the determination of the Government Purchase Price (GPP) of grain at the farmer level determined through the Presidential Instruction of the Republic of Indonesia Number 6 of 2025 related to Procurement and Management of Domestic Grain/Rice and Distribution of Government Rice Reserves which aims to meet the procurement of domestic rice of 3,000,000 (three million) tons, sourced from Harvested Dry Grain (HDG), Milled Dry Grain (MDG), and/or rice.

The government guarantees to buy farmers' grain at a minimum price that has been regulated, this government policy has long been awaited by farmers as a form of government alignment with farmers to increase rice production towards national rice self-sufficiency. Of course, this policy can protect farmers' income from rice crops and motivate farmers to increase the productivity of rice crops in the future.

The problem of instability in grain prices in the market experienced by rice farmers in Jetis District requires a further role so that rice farmers can protect their income from their farming products. The implementation of the Government Purchase Price (GPP) policy through the process of absorbing farmers' grain by the Mojokerto Area Bulog has not been indicated to the maximum, which was emphasized by Mrs. Urifah Hidayati as Assistant Manager of Commodity Procurement that it is due to the limited number of makloon partners who have dryer capacity and processing machines from Harvested Dry Grain (HDG) to rice in the Mojokerto area which can accommodate the absorption of Harvested Dry

Grain (HDG) in Mojokerto and the limited availability of combine harvester machines for the rice harvesting process.

This research is needed to be studied more deeply related to the implementation of the grain absorption program by the Mojokerto Area Bulog Perum by implementing the Government Purchase Price (GPP) policy. The study of this study is expected to obtain a real picture related to the policy analysis that has been carried out by the Mojokerto Area Bulog in the implementation of the Government Purchase Price (GPP) policy of grain in Jetis District, as well as analyze the factors of policy implementation effectiveness and the level of effectiveness. The results of this study are expected to be used as evaluation materials and recommendations for the government in improving the sustainability of the implementation of the Government Purchase Price (GPP) policy which is more in favor of rice farmers.

1.2 Problem Formulation

According to the background, there are important issues that must be studied scientifically, these issues are the basis for the formulation of the following research problems:

1. How is the implementation of the Government Purchase Price (GPP) policy for grain that has been implemented by the Mojokerto Area Perum Bulog in Jetis District?
2. What are the factors that affect the effectiveness of the implementation of the Government Purchase Price (GPP) policy for grain in Jetis District?
3. What is the level of effectiveness of the implementation of the Government Purchase Price (GPP) policy for grain in Jetis District?

1.3 Purpose

According to the formulation of the problem, the objectives of the research are set as important steps in order to have a clearer direction, including the following:

1. Analyzing the implementation of the Government Purchase Price (GPP) policy for grain by Perum Bulog Mojokerto Area in Jetis District.
2. Analyze the factors that affect the effectiveness of the implementation of the Government Purchase Price (GPP) policy for grain in Jetis District.
3. Analyzing the level of effectiveness of the implementation of the Government Purchase Price (GPP) policy for grain in Jetis District.

1.4 Benefits

This research is expected to be able to benefit various related parties including researchers, rice farmers and the government or related agencies. The researchers' expected benefits include:

1.4.1 Benefits of Research for Researchers

This research is expected to be able to provide benefits, especially to science in the field of agribusiness related to government policies that regulate the Government Purchase Price (GPP) of grain in Mojokerto Regency and this research as a means of learning through the knowledge that has been obtained.

1.4.2 Benefits of Research for Farmers

This research hopes that rice farmers can gain new knowledge related to agricultural economic policies implemented by the government to maintain rice price stabilization and improve the welfare of local farmers. The new understanding

gained by farmers is expected to encourage farmers' awareness of adaptive and sustainable farming processing strategies.

1.4.3 Benefits of Research for the Government or Related Agencies

This research is expected to provide additional information to policy authority holders about the Government Purchase Price (GPP) of grain, which is then expected to increase its contribution to the implementation of policies evenly and comprehensively throughout the Mojokerto Regency area.

1.4.4 Benefits of Research for Colleges

This research is expected to be used as a source of reference and input for other researchers in future research related to government policies that regulate the Government Purchase Price (GPP) of grain as a reference in scientific writing and the like. In addition, this study also provides empirical data input, analysis, and findings that can enrich the literature in the field of agricultural economics and public policy, thereby encouraging the birth of further research with a broader and in-depth approach.