The Implementation of government rice reserve policy: based on presidential instruction on rice policy

S A Sembiring* and P Sibuea

Universitas Katolik Santo Thomas, Medan, Indonesia

Email: *suryasembiring1961@gmail.com

Abstract. Rice sector has been subject to a number of policy interventions in Asia due to the economic and political importance of rice. The objective of this study is to describe the implementation of the government's rice reserve policy based on the Presidential Instruction on rice policy. Result of the study show that: (1) the highest distribution of government rice reserves for rice market operation at 26,555 tons/month in Presidential Instruction No. 13/2005, (2) the highest distribution of government rice reserves for emergencies at 1.237 tons/month in Presidential Instruction No. 7/2009, 3) the average rate of growth in government purchased of price dried harvest paddy, government purchased of price dried milled paddy and government purchased price of rice at 16.21 %, 15.18 % and 13.10 % respectively, (8) the maximum water content of dried harvest paddy, dried milled paddy and rice is 25%, 14% and 14% respectively and the maximum empty grain of dried harvest paddy and dried milled paddy is 10% and 3% respectively (9) the maximum broken grain and minor degree is 20%, 2% respectively whereas the minimum milling degree for rice 95%, and (10) there is a positive relationship between the quality requirements paddy and the Government Purchasing Price.

1. Introduction

Because of the economic and political importance of rice in Asia [1], the rice sector has been subject to a number of policy interventions. Many Asian countries have government policy on rice sector [2]. According to [3] found that without government intervention, rice market it failed to achieve the various targets of the rice scheme in Thailand.

Many countries in Asia has implemented open market operation for rice, such Bangladesh since 2004 through open market sale (OMS). India through sold 1 million rice at INR 15.86 per kilogram and South Korea released 150,000-ton rice to control increases in domestic price rice. Whereas, The Nepal Food Corporation distributed rice to food-deficit areas. [2].

Although India as one of the world's rice exporting countries, the government also has a food policy, by ensuring food availability for the poor and direct intervention through market operations [4] On other hand, based on price stabilizing in many states in India [5] argued that the stocks of rice successful in stabilizing rice price on other hand the government of Madagascar introduced a “rice buffer stock facility” [6] and Government intervention on the demand side of the rice market [7].

Through market operation by Bulog [8] argued that it can less extensive but achieve price stability. Based on [9] suggests that food price stabilization schemes have a potential role in improving welfare and economic performance.

According to [10] in Thailand, government replaced the PIS (Price Insurance Scheme) with the Paddy Pledging Program (PPP). At the time of the program’s implementation, intervention prices were
set approximately 50 percent higher than market prices for white rice, and 30 percent higher for fragrant rice.

Under the rationing and food stamp schemes targeted towards low-income households, the annual average replacement of the quantity of open market rice was 51 per cent during 1978-1989, while the addition to the total consumption of rice was 49 per cent [7].

At the national level, government rice reserves are one of the rice policy instruments [11] By using simultaneous equations, economic variables that affect government rice distribution are retailer's rice prices, variable dummies and government rice distribution lags.

The framework of Timmergen's policy analysis is known as economic policy theory, where the government's goal is to maximize social welfare. Timmergen's thinking framework is known as objectives-constraints- instruments with a policy analysis approach. The policy task is to choose the best instrument to achieve the target, with constraints, the existence of certain factor beyond control and side effects [12].

Figure 1 shows the relationship of exogenous and endogenous variables through models, both mathematical models, linear programming and other models. In Timmergen's policy analysis, policy instruments are exogenous variables, objectives and side effects as endogenous variables. The ultimate goal of the policy is public welfare.

| Exogenous variables | Relationship Between Variables "The Model" | Endogenous Variables | Ultimate Goal |
|---------------------|------------------------------------------|---------------------|--------------|
| POLICY INSTRUMENTS  |                                          | GOALS OR TARGET VARIABLES | W FOR SOCIAL WELFARE |
| CONSTRAINTS         |                                          | SIDE EFFECTS        |              |
| FACTORS BEYOND CONTROL |                                      |                     |              |

Source: [12]

**Figure 1. The Framework of Timmergen’s Policy Analysis**

The first government rice reserve terminology is explicitly contained in the Presidential Instruction on Rice Policy, namely Presidential Instruction No. 2 of 2005. This Inpres replaces the previous Inpres, No. 9/2002 and was applied on March 2, 2005.

Government rice reserve as the policy objective, first appeared in Presidential Instruction No 3/2012 where the objectives of the policy in the Presidential Instruction are: (1) stabilization of the
national economy, (2) to protect the level of farmers income, (3) stabilization of rice prices, (4) to protect Government Rice Reserves. Whereas the objectives of the Presidential Instruction No. 7/2009 are: (1) national economic stability, (2) increasing farmers’ income, (3) increasing food security, and (4) rural economic development. There are the four policy objectives in Presidential Instruction No. 7/2009, but two of the objective policy are not available in Presidential Instruction No. 3/2012, such as increasing food security and rural economic development.

2. Methods
The data used are monthly data from January 2005 to December 2017 and the document of the Presidential Instruction concerning rice policy from 2005-2015[13-20]. Data analysis was carried out based on the sustainability of government rice reserve policies issued by the government. Based on the Presidential Instruction document on rice policy there are 8 (eight) Presidential Instruction (Inpres) which explain the government's rice reserves.

3. Results and Discussion
Table 1 shows the purpose of government rice reserves where the policy instrument is the government's rice reserve. The Table shows that the goals of government rice reserves were initiated in Presidential Instruction No. 2/2005. In Presidential Instruction No. 2/2005 and No. 13/2005 government rice reserves are used to protect the emergencies and maintain the stability of rice prices.

Table 1. The goals of government rice reserves

| No | No 2/2005 | No 13/2005 | No 3/2007 | No 1/2008 | No 8/2008 | No 2009 | No 3/2012 | No 5/2015 |
|----|-----------|------------|-----------|-----------|-----------|---------|-----------|-----------|
| 1  | ✓         | ✓          | ✓         | ✓         | ✓         | ✓       | ✓         | ✓         |
| 2  | ✓         | ✓          | ✓         | ✓         | ✓         | ✓       | ✓         | ✓         |
| 3  | ×         | ×          | ✓         | ✓         | ✓         | ✓       | ✓         | ✓         |
| 4  | ×         | ×          | ✓         | ✓         | ✓         | ✓       | ✓         | ✓         |
| 5  | ×         | ×          | ×         | ✓         | ✓         | ✓       | ✓         | ✓         |
| 6  | ×         | ×          | ×         | ×         | ×         | ×       | ✓         | ✓         |
| 7  | ×         | ×          | ×         | ×         | ×         | ×       | ✓         | ✓         |

Notes: * Available; b Not Available

Based on the Presidential Instruction issued by the government, it appears to be a similar pattern for every two Presidential Instruction, although there are differences. For example, in Presidential Instruction No. 3/2007 and No.1/2008, government rice reserves are used to protect emergencies, maintain stability in rice prices, distribute rice to the poor, disasters and food insecurity. The difference is, in Presidential Instruction No. 1/2008, government rice reserves are not used for disasters and food insecurity. The next two Presidential Instruction are No. 8/2008 and No. 7/2009, there are additional uses for government rice reserves for low income. The next two Inpres, namely No. 3/2012 and No. 5/2015, there are additional uses for government rice reserves, namely for food aid/international contribution.
Table 2 shows policy instruments based on the Inpres to fulfill the government's rice reserves. Instrument policy to fulfill government rice reserves is based on Presidential Instruction No. 2/2005 and No. 13/2005, namely the procurement of domestic paddy/rice. Starting the Presidential Instruction No. 3/2007, the policy instrument which is used to fulfill the government's rice reserves is not the same as the previous Presidential Instruction.

| No | Policy instrument | No 2/2005 | No 13/2005 | No 3/2007 | No 1/2008 | No 8/2008 | No 7/2009 | No 3/2012 | No 5/2015 |
|----|-------------------|-----------|------------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1  | Procurement of paddy/rice from domestic farmers' | √ | √ | √ | √ | √ | √ | √ | √ |
| 2  | Procurement of paddy/rice by the State Logistics Agency (Bulog) | × | × | √ | √ | √ | √ | √ | √ |
| 3  | Procurement of paddy/rice by government agency or business entity in the food sector | × | × | √ | √ | √ | × | × | × |
| 4  | Rice Import | × | × | √ | √ | √ | √ | √ | √ |

Table 3. The government chronological time to change the Inpres period in 2005-2015

| No | Presidential Instruction on rice policy | Date of the Inpres not valid | Date of the Inpres start to applied | Date that change of the Inpres | Time period of the Inpres (month) |
|----|----------------------------------------|-----------------------------|----------------------------------|-----------------------------|-------------------------------|
| 1  | No 2/2005                              | 02 March 2005               | 02 March 2005                    | 10 Oct 2005                 | 10^c                          |
| 2  | No 13/2005                             | 10 Oct 2005                 | 01 Jan 2006                      | 31 March 2007               | 15                            |
| 3  | No 3/2007                              | 31 March 2007               | 01 April 2007                    | 22 April 2008               | 13                            |
| 4  | No 1/2008                              | 22 April 2008               | 22 April 2008                    | 24 Dec 2008                 | 8                             |
| 5  | No 8/2008                              | 24 Dec 2008                 | 01 Jan 2009                      | 29 Dec 2009                 | 12                            |
| 6  | No 7/2009                              | 29 Dec 2009                 | 01 Jan 2010                      | 27 Feb 2012                 | 26                            |
| 7  | No 3/2012                              | 27 Feb 2012                 | 27 Feb 2012                      | 17 March 2015               | 38                            |
| 8  | No 5/2015                              | 17 March 2015               | 17 March 2015                    | Current applied             |                                |

^c calculated by the author
Table 3 shows the periods of Rice policy instruction. The government has a consideration to replace the Presidential Instruction with other Inpres. Based on Table 3, the most recent Presidential Instruction before Presidential Instruction No. 5/2015 is Presidential Instruction No. 3/2012 within a period of 38 months. The shortest Presidential Instruction period is Inpres No. 8/2008 lasting for four months.

Table 4 shows that the number of months for Government Rice Reserves (GRR) activities for market operations is not the same. The factors cause differences in situations and conditions. The volume of government rice reserves per month for market operations in Presidential Instruction No. 13/2005 is 26,555 tons, while the lowest is 725 tons in Presidential Instruction No. 1/2008.

Table 4. Government rice reserves for market operation and disaster

| No | Presidential Instruction on rice policy | GRR for market operation | GRR for disaster<sup>d</sup> |
|----|----------------------------------------|--------------------------|-----------------------------|
|    |                                        | Number of month | Average per month (ton)<sup>e</sup> | Number of month | Average per month (ton)<sup>f</sup> |
| 1  | No 2/ 2005                             | 9               | 1,676                         | *<sup>g</sup>    | *<sup>h</sup>             |
| 2  | No 13/ 2005                            | 14              | 26,555                        | 1               | 676                        |
| 3  | No 3 / 2007                            | 13              | 8,807                         | 13              | 967                        |
| 4  | No 1/ 2008                             |                 | 725                           | 8               | 621                        |
| 5  | No 8 / 2008                            | 12              | 1,234                         | 12              | 1,235                       |
| 6  | No 7/ 2009                             | 23              | 5,862                         | 26              | 1,237                       |
| 7  | No 3 / 2012                            | 12              | 7,262                         | 38              | 1,145                       |
| 8  | No 5/ 2015                             | 25              | 11,685                        | 33              | 874                        |

Notes: <sup>d</sup> include emergency, food insecurity and food aid; <sup>e</sup>, <sup>f</sup> calculated by the Author; <sup>g</sup> data not available

Table 5. Time period of government rice reserves for market operation and disaster

| No | Presidential Instruction on rice policy | GRR for Market operation | GRR for disaster<sup>i</sup> |
|----|----------------------------------------|--------------------------|----------------------------|
|    |                                        | The number of months of MO | Time period of the Inpres (month) | PMOI %<sup>b</sup> | the number of months of D | Time period of the Inpres (month) | PDI %<sup>d</sup> |
| 1  | No 2 / 2005                             | 9                         | 10                           | 90                | *<sup>i</sup> | 10 | *<sup>c</sup> |
| 2  | No 13 / 2005                            | 14                        | 15                           | 90                | 1 | 15 | 7 |
| 3  | No 3 / 2007                             | 13                        | 13                           | 100               | 13 | 13 | 100 |
| 4  | No 1 / 2008                             | 8                         | 8                            | 100               | 8 | 8 | 100 |
| 5  | No 8 / 2008                             | 12                        | 12                           | 100               | 12 | 12 | 100 |
| 6  | No 7 / 2009                             | 23                        | 26                           | 88                | 26 | 26 | 100 |
| 7  | No 3 /2012                              | 12                        | 38                           | 32                | 38 | 38 | 100 |
| 8  | No 5 / 2015<sup>j</sup>                | 25                        | 33                           | 76                | 33 | 33 | 100 |

Notes: <sup>b</sup>,<sup>i</sup> calculated by the author; <sup>j</sup> used the data April 2015 to December 2017

Similarly, the factors that cause GRR activities for natural disasters are the Presidential Instruction and natural disasters, food insecurity, food aid and others. The highest volume of government rice reserves per month for natural disasters in Presidential Instruction No. 7/2009 amounted to 1,237 tons, while the lowest was 621 tons in Presidential Instruction No. 1/2008.

PMDI is a percentage of the number of months of GRR distribution for market operations to the validity period of the Inpres at a certain time. If PMOI = 100, it means that the Inpres period GRR
distribution is carried out for market operations. If PMOI <100 means that the GRR distribution for market operations is not the same as the period of the Inpres. While PDI is a percentage of the number of months of GRR distribution for disasters to the validity period of the Inpres at a certain time. If PDI = 100, it means that during the period of Presidential Instruction GRR distribution is carried out for disaster activities. If PDI <100 means that the distribution of GRR for disaster activities is not the same as the period of the Inpres.

Based on the Table 5, there are three PMOI with a percentage of 100, it means that, the period of the Inpres CBP distribution was carried out for market operations. For example, in Presidential Instruction No. 3/2007, as long as the Inpres was applied throughout the validity period in which the Inpres the GRR distribution was conducted for market operations. This indicates that the price of rice in the market increase so that market operations need to be carried out. In Presidential Instruction No. 3/2012, the PMOI value of around 32 means that the GRR distribution for market operations is only around 12 months from the 38 months period of the Inpres. This fact shows that in the Presidential Instruction No. 3/2012 the price of rice is lower than other Inpres.

If PMOI reaches 100 there are three Presidential Instruction, while PDI that reaches 100 is six Inpres. The PDI number 100 indicates that as long as the Inpres is still valid, during this period CBP distribution is carried out for disasters. In the disaster, it included emergency, food insecurity and food aid.

Table 6 shows the Inpres issued by the government since Presidential Instruction No. 2/2005, to meet the government's rice reserves, is grouped into: (1) Government purchase of price dried harvest paddy in milling is Rp. 1,330/ kg while (2) Government purchase of price dried milled paddy in milling is Rp. 1.740 / Kg). Since No. 2/2005 and No. 13/2005, Government purchase of price dried milled paddy in warehouse has not been used again since Presidential Instruction No. 3/2007. Since Presidential Instruction No. 3/2007, the government added to the Government purchased of price dried milled paddy in Bulog storage (Rp/Kg).

| No  | The policy instrument based on Presidential Instruction | No 2/2005 | No 13/2005 | No 3/2007 | No 1/2008 | No 8/2008 | No 7/2009 | No 3/2012 | No 5/2015 |
|-----|-----------------------------------------------------|-----------|------------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1   | Government purchase price of dried harvest paddy in milling (Rp/Kg) | 1.330     | 1.730      | 2.035     | 2.240     | 2.440     | 2.685     | 3.350     | 3.750     |
| 2   | Government purchase price of dried milled paddy in warehouse (Rp/Kg) | 1.765     | 2.280      | x         | x         | x         | x         | x         | x         |
| 3   | Government purchase price of dried milled paddy in milling (Rp/Kg)  | 1.740     | 2.250      | 2.575     | 2.800     | 3.000     | 3.300     | 4.150     | 4.600     |
| 4   | Government purchase price of rice in milling (Rp/Kg) | 2.790     | x          | x         | x         | x         | x         | x         | x         |
| 5   | Government purchase price of rice in Bulog storage (Rp/Kg) | x         | 3.550      | x         | x         | x         | x         | x         | x         |
| 6   | Government purchase price of dried harvest paddy in farmer (Rp/Kg) | x         | x          | 2.000     | 2.200     | 2.400     | 2.640     | 3.300     | 3.700     |
| 7   | Government purchase price of dried milled paddy in Bulog storage(Rp/Kg) | x         | x          | 2.600     | 2.840     | 3.040     | 3.345     | 4.400     | 4.650     |
| 8   | Government purchase price of rice in Bulog warehouse (Rp/Kg) | x         | x          | 4.000     | 4.300     | 4.600     | 5.060     | 6.600     | 7.300     |
Table 7 shows the average rate growth of Government purchase price of dried harvest paddy in milling is 16.21 percent while the average rate growth of Government purchase price of dried milled paddy in milling is 15.18 percent. This fact indicates that in each Inpres there is increasing of the Government purchase price of dried harvest paddy and dried milled paddy in milling. Similarly, Government purchased of price dried milled paddy in Bulog storage is increasing. The average growth rate of Government purchase price of dried milled paddy in Bulog storage is 12.71 percent in every Inpres. The average of growth rate of Government purchase price of dried milled paddy in milling is higher than the Bulog storage, but the increasing of Government purchase price of dried milled paddy in the Bulog storage is higher than milling.

Table 7. Government purchase price of dried harvest paddy and government purchase price of dried milled paddy

| No | Inpres No | HPP GKP in Milling (Rp/Kg) | Change\(^{k}\) (Rp/Kg) | %  | HPP GKG in Milling (Rp/Kg) | Change\(^{l}\) (Rp/Kg) | %  | HPP GKG in Bulog warehouse (Rp/Kg) | Change (Rp/Kg) | %  |
|----|-----------|---------------------------|-------------------------|----|---------------------------|-------------------------|----|-------------------------------|----------------|----|
| 1  | 2/2005    | 1330.00                   | -                       | -  | 1740.00                   | -                       | -  | -                             | -              | -  |
| 2  | 13/2005   | 1730.00                   | 400.00                  | 30.08 | 2250.00                   | 510.00                  | 29.31 | -                             | -              | -  |
| 3  | 3/ 2007   | 2035.00                   | 305.00                  | 17.63 | 2575.00                   | 325.00                  | 14.44 | 2640.00                      | -              | -  |
| 4  | 1/ 2008   | 2200.00                   | 165.00                  | 8.11 | 2800.00                   | 225.00                  | 8.07  | 2840.00                      | 240.00         | 9.23 |
| 5  | 8/ 2008   | 7640.00                   | 2650.00                 | 10.20 | 3200.00                   | 330.00                  | 10.30 | 3450.00                      | 460.00         | 13.14 |
| 6  | 7/ 2009   | 2685.00                   | 245.00                  | 10.04 | 3300.00                   | 300.00                  | 9.09  | 4150.00                      | 850.00         | 20.71 |
| 7  | 3/ 2012   | 3350.00                   | 665.00                  | 24.77 | 4150.00                   | 850.00                  | 20.71 | 4150.00                      | 850.00         | 20.71 |
| 8  | 5/2015    | 375000                    | 400.00                  | 11.94 | 4600.00                   | 450.00                  | 10.84 | 4650.00                      | 250.00         | 5.68 |
| Average |     |                           |                        |      |                          |                        |      |                               |                |    |

Note: \(^{k,l}\) calculated by the author; HPP GKP: Government purchase price of dried harvest paddy; HPP GKG: Government purchase price of dried milled paddy

Table 8. Government purchase price of dried harvest paddy, dried milled paddy and rice

| No | Inpres | HPP GKP in Farmer (Rp/Kg) | Change\(^{m}\) (Rp/Kg) | %  | HPP GKG in Warehouse (Rp/Kg) | Change\(^{a}\) (Rp/Kg) | %  | HPP GKG in Bulog Warehouse (Rp/Kg) | Change (Rp/Kg) | %  |
|----|--------|---------------------------|-------------------------|----|---------------------------|-------------------------|----|-------------------------------|----------------|----|
| 1  | No 2/ 2005 | -                        | -                       | -  | 1765.00                   | -                       | -  | -                             | -              | -  |
|    | No 13/2005 | -                        | -                       | -  | 2280.00                   | 510.00                  | 29.31 | -                             | -              | -  |
| 2  | No 3/ 2007 | -                        | -                       | -  | 4000.00                   | -                       | -  | -                             | -              | -  |
| 3  | No 1/ 2007 | 2000.00                  | -                       | -  | 4300.00                   | 300.00                  | 7.00  | -                             | -              | -  |
| 4  | No 8/ 2008 | 2200.00                  | 200.00                  | 10.00 | 4600.00                   | 300.00                  | 6.58  | -                             | -              | -  |
| 5  | No 3/ 2009 | 2440.00                  | 240.00                  | 9.09  | 4600.00                   | 300.00                  | 6.58  | -                             | -              | -  |
| 6  | No 7/ 2012 | 2640.00                  | 200.00                  | 10.00 | 5000.00                   | 400.00                  | 10.00 | -                             | -              | -  |
| 7  | No 8/ 2015 | 370000                   | 400.00                  | 12.12 | 730000                    | 700.00                  | 10.61 | -                             | -              | -  |
| Average |       | 13.25                    | -                       | -  | -                         | -                       | -    |                               | 13.10          |    |

Note: \(^{m,a}\) calculated by the author; HPP GKP: Government purchase price of dried harvest paddy; HPP GKG: Government purchase price of dried milled paddy ; HPPB = Government purchase price of rice

According to Table 7 and Table 8, the purchase price of harvested dry grain in mills is higher than the farmer's level. For example, in Presidential Instruction No. 3/2007, the difference in price was IDR
35/kg, while in Presidential Instruction No. 1/2008 the price difference was IDR 100/kg and decreased to IDR 40/kg in Inpres 8/2008. The average growth of Harvested Paddy Grain Purchase Prices at the farm level for each Inpres is lower than milling.

Table 9 shows the grain quality requirements and quality of rice were determined by the government. Quality requirements domestic prices for Government purchased of price dried harvest for the eighth Presidential Instruction have not changed either for the maximum quality water content of 25% and a maximum empty grain level of 10%. The quality requirements of the Government purchase price of dried milled paddy with a maximum quality water content of 14% and a maximum empty grain content of 3%. Requirements for Government purchase price of rice with a maximum quality water content of 14%, a maximum broken grain of 20%, a maximum menir degree content of 2% and a minimum milling degree content of 95%.

### Table 9. The Requirements of paddy/rice for government rice reserve on rice policy

| No | Inpres on Rice Policy | HPPGKP | HPPGKG | HPP B |
|----|----------------------|--------|--------|-------|
|    |                      | KA max | KH/K max | KA Max | KH/K max | KA max | BP max | KM max | DS max | KA max | KH/K max |
| 1  | No 2/ 2005           | 25%    | 10%     | 14%    | 3%      | 14%    | 20%    | 2%     | 95%    |        |          |
| 2  | No 13/ 2005          | 25%    | 10%     | 14%    | 3%      | 14%    | 20%    | 2%     | 95%    |        |          |
| 3  | No 3 / 2007          | 25%    | 10%     | 14%    | 3%      | 14%    | 20%    | -      | -      |        |          |
| 4  | No 1 / 2008          | 25%    | 10%     | 14%    | 3%      | 14%    | 20%    | 2%     | 95%    |        |          |
| 5  | No 8 / 2008          | 25%    | 10%     | 14%    | 3%      | 14%    | 20%    | 2%     | 95%    |        |          |
| 6  | No 7 / 2009          | 25%    | 10%     | 14%    | 3%      | 14%    | 20%    | 2%     | 95%    |        |          |
| 7  | No 3 / 2012          | 25%    | 10%     | 14%    | 3%      | 14%    | 20%    | 2%     | 95%    |        |          |
| 8  | No 5 / 2015          | 25%    | 10%     | 14%    | 3%      | 14%    | 20%    | 2%     | 95%    |        |          |

Note: ° water content; ° empty grain; ° broken grain; ° Menir degree; ° milling degree
Sources [13-20]

### Table 10. The differences of paddy price in difference the quality

| No | Inpres | HPP GKP in Milling (Rp/Kg) | HPP GKG in Milling (Rp/Kg) | Change° (Rp/Kg) | % | HPPGKP | HPPGKG |
|----|--------|---------------------------|---------------------------|-----------------|---|--------|--------|
|    |        | KA max | KH/K max | KA Max | KH/K max | KA max | BP max | KM max | DS max |
| 1  | No 2/ 2005 | 1330.00 | 1740 | 410 | - | 25% 10% 14% 3% |        |
| 2  | No 13/ 2005 | 1730.00 | 2250 | 520 | 39.10 | 25% 10% 14% 3% |        |
| 3  | No 3 / 2007 | 2035.00 | 2575 | 540 | 31.21 | 25% 10% 14% 3% |        |
| 4  | No 1 / 2008 | 2200.00 | 2800 | 600 | 29.48 | 25% 10% 14% 3% |        |
| 5  | No 8 / 2008 | 2400.00 | 3000 | 600 | 27.47 | 25% 10% 14% 3% |        |
| 6  | No 7 / 2009 | 2685.00 | 3300 | 615 | 25.63 | 25% 10% 14% 3% |        |
| 7  | No 3 / 2012 | 3350.00 | 4150 | 800 | 29.80 | 25% 10% 14% 3% |        |
| 8  | No 5/2015 | 3750.00 | 4600 | 850 | 25.37 | 25% 10% 14% 3% |        |

Note: ° calculated by the author
Table 10 shows the difference in grain purchase prices due to differences in grain quality requirements. Quality requirements Government Purchase Price of dried harvest paddy for the eighth Presidential Instruction has not changed for quality water content maximum 25% and empty grain content maximum 10% while the Government purchase price of dried milled paddy with water content maximum 14% and empty grain content maximum 3%.

The difference of quality between HPPGKG and HPPGKP causes a price difference. The price difference shows an upward trend in each Inpres except in Inpres No. 1/2008 and No. 8/2008, which Rp. 600/kg. The difference price with the previous Presidential Instruction is highest in Presidential Instruction No. 13/2005 39.10 percent while the lowest price in Presidential Instruction No. 5/2015 25.37 percent.

4. Conclusion
Based on the eighth Presidential Instruction on rice policy, it was found that: (1) government rice reserves are distributed for emergencies and to protect the stabilization of rice prices, (2) the highest distribution of government rice reserves for rice market operation at 26,555 tons/month in Presidential Instruction No. 13/2005, (3) the number of Inpres that during the time period of the Inpres, CBP distribution was carried out for market operations and disaster, 3 and 6 respectively, (4) the highest distribution of government rice reserves for emergencies at 1.237 tons/month in Presidential Instruction No. 7/2009, (5) the average rate of growth in government purchased of price dried harvest paddy 16.21 per cent, (6) the average rate of growth government purchased of price dried milled paddy at 15.18 percent, (7) the average rate of growth government purchased price of rice at 13.10 persen, (8) the maximum water content of dried harvest paddy, dried milled paddy and rice at 25%, 14% and 14% respectively and the maximum empty grain of dried harvest paddy and dried milled paddy at 10% and 3% respectively, (9) the maximum broken grain and menir degree is 20%, 2% respectively whereas the minumum milling degree for rice 95%, and (10) there is a positive relationship between the quality requirements paddy and the Government Purchasing Price.

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