

V. CONCLUSIONS AND IMPLICATIONS

A. Conclusion

1. Of the four variables which have influence on local soybean prices in Indonesia are as follows:
 - a. The volume of soybean import has positive and insignificant effect on local soybean price in Indonesia.
 - b. World soybean prices have a positive and significant impact on local soybean prices in Indonesia.
 - c. The exchange rate has a positive and insignificant effect on local soybean prices in Indonesia.
 - d. Domestic soybean production has a positive and significant effect on local soybean price in Indonesia.
2. Based on the results of regression analysis that have been done, there are values of regression coefficient (β) on each independent variable (soybean import volume, world soybean price, exchange rate and domestic soybean production). From the regression result, there is a largest value of regression coefficient among the independent variables that have significant effect on local soybean price. There are two variables that significantly influence the world price of soybean and soybean production in the country. Between the two variables, the world soybean prices has a greater regression coefficient value. Thus, the world soybean price is the most influential variable to the local soybean price in Indonesia.

B. Implications

Based on four independent variables, there are two independent variables that significantly influence the local soybean price in Indonesia (dependent variable). The implications are :

1. World soybean prices have a positive and significant impact on local soybean prices in Indonesia. It shows that when the world soybean price increases, local price of soybean in Indonesia also increases. The price of soybeans greatly affects soybean prices in Indonesia. This because Indonesia is a country soybean importer so that the price of soybean in Indonesia depends on soybean price of the world. First, To overcome the dependence on world soybean price, what need to be done is to increase the productivity of local soybean. If the production of soybean in Indonesia is sufficient, then Indonesia no longer needs to rely on world soybean price.

Second, Utilization of agricultural land in Indonesia also plays an important role to the productivity of soybeans. This becomes a joint task for the government, soybean farmers, and communities to mutually contribute to the use of agricultural land. Thrid, The government should pay more attention to the welfare of farmers so that the farmers are more productive. The last is the people have to take care of the environment around the soybean farms, not serve as consumers only.

2. Domestic soybean production has a positive and significant impact on local soybean prices in Indonesia. Because of this, if domestic soybean production increases, local soybean prices in Indonesia will increase. This shows that domestic soybean production has a positive effect on local soybean price. That are not in accordance with theory of demand which states that the lower the price of goods, the more demand for goods and vice versa. (Sukirno, 2009).

This kind of situation should always be maintained because with the increase of domestic soybean production shows that Indonesia can meet the domestic demand for soybeans and reduce imported soybean. The increase local soybean prices can also show that soybean quality in Indonesia is getting better, not less than the quality of imported soybean.

The government, farmers, and the community must be able to maintain this condition so that soybean farming in Indonesia is more advanced, and until one day Indonesia becomes a country exporter of soybean in the world. To support the production of soybeans in Indonesia to be better, government also needs to provide modern technology for farmers, not relies on the energy of the farmers only. This is because modern technology also greatly support the productivity of agricultural products of the country.

C. Limitations of Research

The data period used is short, but the df (degrees of freedom) still meets the F test requirements and t test requirements, so that it can still be analyzed. This research has not found monthly variable data of each year. If it is found monthly variable data of each year, there is the possibility of getting a better value of significance, so it can add a variable that significantly influence the local soybean price. The next researchers can also find a more specific soybean type to be more clear of what kind of soybeans which most influential to the fulfillment of soybean needs in Indonesia. It can also be used as a new variable in the research supported by complete data on each type of soybeans, for example black soybean (soybean sauce ingredients) or white soybean (the raw material for making tempe).