

## ABSTRACT

This research is a secondary data and uses time series data on the demand for local chicken meat in Indonesia during the period 1997-2016. This research takes the title: "Analysis of the factors that affect demand for local chicken meat in Indonesia". The purpose of this research was to determine the factors that influence demand for local chicken meat in Indonesia and see the elasticity of demand for local chicken meat in Indonesia. The research location is in Indonesia and the object of research is the demand for local chicken meat in Indonesia. Based on the results of research and data analysis using multiple linear regression analysis method using Eviews 9 shows that simultaneously, the price of local chicken meat, the price of broiler chicken meat and income per capita have a significant effect on the demand for local chicken meat in Indonesia. Partially the variable price of broiler chicken meat has a significant negative effect on demand for local chicken meat in Indonesia while the variable price of local chicken meat and income per capita does not significantly influence the demand for local chicken meat in Indonesia. The demand for local chicken meat is negative inelastic to the price of local chicken meat (-0.03). The demand for local chicken meat is negative elastic to the price of broiler chicken meat (-1.22), and demand for local chicken meat is positive inelastic to the income per capita of the community (0.59).

Based on the results of research, the price of local chicken meat and income per capita does not affect the demand for local chicken meat, the government needs to control the productive sector such as expanding employment opportunities and creating a business climate in order to increase people's income. With the increase in income, the community can fulfill their needs, which will increase purchasing power so that household consumption will also go up will affecting economic growth in Indonesia.

The price of broiler chicken has a significant negative effect on the demand for local chicken meat. Because the price of local chicken meat is relatively more expensive than the price of broiler chicken meat, the government needs to support local poultry farmers in Indonesia with local poultry breeding, the government still needs to be involved intensively research and capital. Thus expected the price of local chicken meat can be more economical and can create new market segments to be able to compete with broiler chicken meat in Indonesia.

*Keywords : Demand, price, local chicken, broiler chicken, income per capita.*