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Food Price Stabilization Policy and Its Impact on Farmer Welfare in Indonesia

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Abstract:
This study analyzes food price stabilization policy in Indonesia and its impact on farmer welfare, with particular attention to the balance between consumer affordability and farmer income protection. The study focuses on government intervention through market operations, SPHP distribution, Bulog's role, public food reserves, and domestic procurement. Using a descriptive qualitative approach with policy implementation and welfare analysis, this research examines official statistics, government policy documents, Bulog publications, credible media reports, and relevant academic literature on food price stabilization, rice markets, food security governance, and farmer welfare. The findings show that food price stabilization policy plays an important role in protecting consumers from excessive staple food price increases, especially during periods of rice price pressure and volatile food inflation. However, the policy also creates potential welfare risks for farmers when market intervention suppresses farm-gate prices or is not accompanied by effective domestic procurement. The study finds that Bulog has a strategic dual role in stabilizing consumer prices and absorbing domestic production, but this role depends on stock availability, procurement timing, distribution channels, and institutional coordination. The novelty of this study lies in framing food price stabilization as a distributive governance mechanism that must balance consumer protection and farmer welfare. The study concludes that stabilization policy should not only aim to reduce retail prices, but also maintain fair producer prices, strengthen farmer access to procurement, and protect the sustainability of domestic food production.

Keywords: food price stabilization; farmer welfare; Bulog; SPHP; rice market; consumer affordability; Indonesia.

1. Introduction

Food price stabilization is one of the most sensitive policy issues in Indonesia because food prices affect household purchasing power, inflation, social stability, and farmer income at the same time. The government is often required to intervene when staple food prices increase sharply, especially for rice, chili, shallot, cooking oil, eggs, and meat. These interventions usually aim to protect consumers from excessive price increases through market operations, food reserve release, price ceilings, and distribution support. However, food price stabilization also has consequences for farmers because lower consumer prices may reduce producer prices if the intervention is not balanced by procurement, floor prices, or farmer protection schemes. Therefore, food price stabilization policy should not only be assessed from the perspective of consumer affordability, but also from the perspective of whether it protects the welfare and bargaining position of farmers.

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The urgency of this issue became more visible in 2024 when rice remained one of the most important contributors to food inflation. BPS reported that rice was consistently among the largest contributors to year-on-year inflation in September 2024, with rice inflation reaching 8.41 percent and contributing 0.27 percent to the Consumer Price Index (BPS, 2024a). Earlier in February 2024, rice price pressure had also become a major public concern because rice inflation increased significantly and pushed household food expenditure upward (BPS, 2024b). Reuters reported that rice prices in February 2024 had increased by more than 16 percent from the previous year due to El Niño-related production disruption, delayed planting, and supply constraints, while Bulog operated subsidized rice bazaars to ease consumer pressure (Reuters, 2024). These conditions show that food price stabilization is not merely an economic policy, but also a social protection instrument for consumers.

At the same time, price stabilization policy must be evaluated carefully because farmers are not only producers, but also rural households whose welfare depends on the relationship between output prices and production costs. The Farmer Exchange Rate (*Nilai Tukar Petani* or NTP) is often used as an indicator of farmer welfare because it compares the price index received by farmers with the price index paid by farmers. BPS recorded that national NTP reached 119.85 in August 2024, 120.30 in September 2024, and 120.70 in October 2024, showing a gradual increase in aggregate farmer purchasing power (BPS, 2024c, 2024d, 2024e). However, the movement of NTP must be interpreted carefully because an increase in aggregate NTP does not automatically mean that all farmers benefit equally. In October 2024, for example, BPS reported that the price of harvest dry unhusked paddy at the farmer level decreased by 0.85 percent, while premium rice prices at the milling level also decreased by 0.11 percent (BPS, 2024e). This indicates that stabilization dynamics may create different effects along the rice value chain.

Government intervention in food prices is implemented through several instruments, including government food reserves, market operations, the Stabilization of Food Supply and Prices (*Stabilisasi Pasokan dan Harga Pangan* or SPHP), the role of Bulog, and price ceiling policy. Bulog explains that SPHP is a government program implemented under the mandate of Law No. 18 of 2012 on Food and is aimed at protecting consumer purchasing power and food price affordability (Bulog, 2024). In rice policy, SPHP operates by releasing government rice reserves to the market through designated distribution channels when consumer prices increase or when market supply is considered insufficient. This mechanism is important for consumers because it can provide rice at more affordable prices. Yet, from the farmer welfare perspective, the policy must also be balanced with procurement from domestic farmers so that market intervention does not only suppress retail prices but also supports farm-gate prices.

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The tension between consumer protection and farmer welfare is one of the central dilemmas in food price stabilization policy. Consumers generally need affordable staple food prices, especially poor and lower-middle-income households whose expenditure is highly sensitive to food inflation. Farmers, on the other hand, need sufficiently high producer prices to cover production costs, repay debts, invest in inputs, and maintain household welfare. If the government focuses too strongly on lowering retail prices, farmers may face falling farm-gate prices during harvest periods. Conversely, if the government only protects producer prices without controlling retail prices, consumers may face a higher cost of living and inflationary pressure. This makes food price stabilization a balancing policy, not a one-sided intervention.

In the Indonesian context, Bulog plays a central role in this balance because it is expected to perform both market stabilization and farmer absorption functions. Through public rice reserves and SPHP distribution, Bulog contributes to consumer price stabilization. Through domestic procurement, Bulog may also provide a buyer of last resort for farmers, especially during harvest periods. However, the effectiveness of Bulog depends on stock availability, procurement timing, distribution channels, coordination with the National Food Agency, and the alignment between producer price policy and consumer price policy. If Bulog releases rice to reduce consumer prices without sufficient domestic procurement, farmers may perceive stabilization as unfavorable. If Bulog procures rice at a price that is too high without effective distribution control, retail prices may remain high. Therefore, Bulog's role must be assessed through the balance between market affordability and farmer income protection.

Previous studies have examined food price stabilization and farmer welfare from several perspectives. Ruspayandi et al. (2022) found that rice price stabilization in Indonesia cannot rely only on administrative intervention, but also requires market-based approaches that improve distribution efficiency, market information, and supply-chain coordination. Jamaludin (2022) emphasized that food security challenges in Indonesia require stronger institutional roles, including food state-owned enterprises, because price stabilization and food availability depend on institutional capacity. Rozci et al. (2024) argued that Bulog's intervention in rice price stabilization must consider both consumer affordability and farmer incentives because rice is both a staple food and a commercial agricultural commodity. Juliansyah et al. (2024) also discussed the effect of Bulog procurement and market operations on rice price dynamics, showing that the timing and scale of intervention influence market outcomes. These studies confirm that food price stabilization is not only about reducing prices, but also about managing the relationship between consumers, farmers, markets, and state institutions.

The research gap lies in the limited analysis of food price stabilization policy from the perspective of balancing consumer interests and farmer welfare. Existing studies often focus separately on inflation control,

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Bulog's role, market operations, rice imports, or farmer exchange rates. Fewer studies examine how government intervention creates both protective and distributive consequences across the food system. This article offers a novel contribution by analyzing food price stabilization policy as a balancing mechanism between consumer affordability and farmer welfare. The study argues that stabilization policy should not be measured only by its ability to lower consumer prices, but also by its ability to maintain fair farm-gate prices, support domestic procurement, reduce market volatility, and strengthen the bargaining position of farmers. Accordingly, this study aims to analyze food price stabilization policy in Indonesia and its impact on farmer welfare, with particular attention to government intervention through market operations, Bulog, SPHP, producer prices, consumer prices, and the balance between consumer and farmer interests.

2. Research Methods

This study employs a **descriptive qualitative approach** with a **policy implementation and welfare analysis** design. This approach is used because the study examines food price stabilization policy not only as an inflation-control instrument, but also as a governance mechanism that affects the distribution of benefits and burdens between consumers and farmers. The qualitative approach allows the study to analyze how government interventions, including market operations, the Stabilization of Food Supply and Prices (*Stabilisasi Pasokan dan Harga Pangan* or SPHP), Bulog's rice distribution, public food reserves, and producer-price support, influence food affordability and farmer welfare. Rather than measuring the policy's impact through econometric modeling, this study focuses on interpreting the implementation logic, institutional roles, and welfare implications of food price stabilization policy in Indonesia.

The object of this study is Indonesia's **food price stabilization policy**, particularly government intervention in staple food commodities, with rice as the main analytical focus. Rice is selected because it is the most strategic food commodity in Indonesia, has a strong influence on inflation, and directly affects both household consumption expenditure and farmer income. The study examines the role of the government, the National Food Agency, Bulog, and local market institutions in stabilizing rice prices through market intervention, reserve release, distribution support, and domestic procurement. The analysis also considers the tension between consumer protection and farmer welfare because stabilization policy may reduce retail prices while also influencing farm-gate prices and farmer bargaining power.

The data used in this study consist of **secondary data supported by policy document analysis**. The secondary data include official statistics from BPS on inflation, rice prices, paddy prices, and Farmer Exchange Rate (*Nilai Tukar Petani* or NTP); policy documents from the National Food Agency and Bulog; government regulations related to food reserves and price stabilization; official reports on food supply and price developments; and academic literature on food price stabilization, farmer welfare, rice markets, Bulog, and food security governance. News reports from credible sources are also used to capture policy dynamics

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and market conditions during 2024, especially when official data do not fully explain the implementation context.

Data collection is conducted through **document analysis**. The documents analyzed include laws and regulations, official statistical releases, price-monitoring reports, Bulog publications, National Food Agency policy materials, and peer-reviewed academic articles. Document analysis is appropriate because food price stabilization policy is implemented through formal policy instruments and can be traced through official data on inflation, producer prices, consumer prices, rice procurement, and market operations. This method also allows the study to compare policy objectives with actual market conditions, particularly in relation to whether stabilization intervention benefits consumers without weakening farmer welfare.

The data are analyzed using **interactive qualitative analysis**, consisting of data reduction, data classification, thematic interpretation, and conclusion drawing. Data reduction is carried out by selecting information related to food price movements, market intervention, Bulog's role, SPHP implementation, producer prices, consumer prices, and farmer welfare indicators. Data classification is conducted by grouping the findings into several analytical categories: consumer price stabilization, farmer price protection, public food reserve management, domestic procurement, market operation, institutional coordination, and welfare distribution. Thematic interpretation is then used to explain how government intervention affects the balance between consumer affordability and farmer income. The final stage draws conclusions regarding whether food price stabilization policy functions as a balanced governance mechanism or tends to prioritize one interest over the other.

The analytical framework of this study is built on three main dimensions. The first dimension is **consumer affordability**, which refers to the ability of food price stabilization policy to reduce excessive retail price increases and protect household purchasing power. This dimension is assessed through inflation data, rice price trends, market operation policy, and SPHP distribution. The second dimension is **farmer welfare**, which refers to the extent to which stabilization policy protects farm-gate prices, supports domestic procurement, maintains farmer income, and strengthens the Farmer Exchange Rate. This dimension is assessed through paddy prices, NTP data, procurement policy, and the relationship between producer prices and production costs. The third dimension is **policy balance**, which refers to the ability of government intervention to protect consumers without suppressing farmers' economic incentives. This dimension is assessed through the interaction between retail price stabilization, Bulog's market intervention, domestic procurement, and producer-price protection.

To strengthen the validity of the analysis, this study applies **source triangulation** by comparing official statistical data, government policy documents, Bulog publications, academic literature, and credible media reports. Triangulation is important because food price stabilization involves multiple actors and may produce different effects at different levels of the food system. Consumer price data may show improved

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affordability, while farmer-level data may reveal pressure on producer prices. By comparing these sources, the study can provide a more balanced understanding of how stabilization policy operates across the rice value chain. Through this methodological framework, the study aims to explain food price stabilization policy as a governance issue involving inflation control, market intervention, farmer welfare, and distributive justice in Indonesia's food system.

3. Results and Discussion

1) Food Price Stabilization as Consumer Protection Policy

The findings show that food price stabilization policy in Indonesia is primarily designed as a consumer protection instrument. This can be seen from the government's repeated intervention when staple food prices, especially rice, increase beyond the purchasing capacity of households. In 2024, rice became one of the most sensitive commodities because it directly affected household expenditure and inflation. Reuters reported that rice prices had increased by more than 16 percent compared with the previous year in February 2024, while the price of rice sold through Bulog's temporary bazaars was capped at IDR 10,600 per kilogram, compared with around IDR 14,300 per kilogram in the open market (Reuters, 2024a). In the same period, Reuters also reported that Indonesia's retail rice price index increased by 19.28 percent annually in February 2024, while volatile food inflation reached 8.47 percent, the highest level since September 2022 (Reuters, 2024b). These data indicate that price stabilization was necessary to protect consumers from rapid food price increases.

From the consumer perspective, market intervention through subsidized rice distribution, market operations, and SPHP plays an important role in maintaining food affordability. Bulog describes SPHP as a government program implemented under the mandate of Law No. 18 of 2012 on Food to protect consumer purchasing power and ensure food price affordability (Bulog, 2024). SPHP distribution is carried out through direct and indirect channels, including task forces, retailers, modern retail, distributors, partner companies, and market operations in cooperation with local governments (Bulog, 2024). This mechanism shows that food price stabilization is not limited to administrative price control, but operates through physical distribution of food commodities into the market. By increasing market supply, the government attempts to reduce price pressure at the consumer level.

The consumer protection function of stabilization policy was also strengthened through the expansion of SPHP rice distribution in 2024. The National Food Agency reported that the SPHP rice quota for 2024 was increased from 1.2 million tons to 1.4 million tons, with distribution directed to regions still experiencing high rice prices, including parts of West Sumatra, Kalimantan, and eastern Indonesia (Badan Pangan Nasional, 2024). By 11 November 2024, SPHP rice distribution had reached 1,253,824 tons, equivalent to 89.56 percent

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of the 1.4 million-ton target (Badan Pangan Nasional, 2024). This data indicates that the government used SPHP as a large-scale market intervention instrument to maintain rice affordability and reduce regional price pressure.

However, consumer-oriented stabilization policy also creates an important governance dilemma. When the government releases rice at lower prices into the market, the policy may help consumers but can also affect the price expectations of traders, millers, and farmers. If market operations are conducted during harvest periods or when farm-gate prices are already weakening, government intervention may further suppress producer prices. Conversely, if intervention is delayed, consumers may suffer from prolonged high prices. This indicates that food price stabilization must be governed through careful timing, accurate market data, and coordination between consumer-price intervention and producer-price protection.

2) Bulog, SPHP, and the Balance between Market Intervention and Farmer Absorption

The findings indicate that Bulog plays a central role in the balance between consumer protection and farmer welfare. On the consumer side, Bulog distributes government rice reserves through SPHP and market operations to reduce price pressure. On the producer side, Bulog is also expected to absorb domestic farmers' production and function as an offtaker when harvest prices fall. This dual role places Bulog in a complex policy position because it must intervene in the consumer market without weakening farmers' economic incentives.

The importance of Bulog's producer-side function was highlighted in 2024 when the government provided subsidized credit to food procurement companies. Reuters reported that Indonesian state banks prepared IDR 28.7 trillion, or around USD 1.84 billion, in credit in 2024 for food procurement companies, including Bulog and ID FOOD, to secure staples such as rice, corn, shallots, chilies, beef, chicken, eggs, sugar, cooking oil, and fish (Reuters, 2024c). The National Food Agency stated that the purpose of this credit facility was to enable food companies to become standby buyers and offtakers for farmers' products (Reuters, 2024c). This policy is important because it shows that stabilization is not only about lowering consumer prices, but also about ensuring that farmers have market access and that domestic products can be absorbed by state food institutions.

Nevertheless, Bulog's stabilizing role depends heavily on procurement timing, stock availability, distribution channels, and price policy. If Bulog's procurement is weak during peak harvest, farmers may remain dependent on private traders and face low farm-gate prices. If Bulog's stock release is too aggressive, consumer prices may decline but farmer incentives may weaken. If Bulog's stock release is insufficient, retail prices may remain high and consumers may continue to face affordability problems. Therefore, the

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effectiveness of Bulog cannot be measured only by the volume of rice distributed through SPHP, but also by whether its procurement and distribution functions are balanced across the rice value chain.

The SPHP mechanism also shows that price stabilization policy is highly dependent on distribution governance. Bulog explains that SPHP rice distribution is conducted through several channels, including retailers, modern retail, distributors, partner companies, task forces, and market operations with local governments (Bulog, 2024). The National Food Agency reported that by 11 November 2024, 65.2 percent of SPHP rice distribution was conducted through retailers, 29.9 percent through distributors, 3.3 percent through task forces, 1.2 percent through local governments, and 0.3 percent through state-owned enterprises (Badan Pangan Nasional, 2024). This distribution structure indicates that private and semi-private market channels remain important in the implementation of public stabilization policy. As a result, stabilization outcomes depend not only on state stock availability, but also on the behavior of distribution actors and the effectiveness of price monitoring.

This condition creates a risk of uneven policy impact across regions. Regions with stronger distribution networks may receive SPHP rice more quickly, while remote or high-price regions may continue to experience supply constraints. Regional differences in logistics, market access, and local government coordination can affect whether SPHP reaches consumers at the intended price. This is particularly relevant in eastern Indonesia and archipelagic regions where transportation costs and supply-chain delays are more significant. Therefore, food price stabilization must be supported by regional targeting, logistics coordination, and monitoring of retail-level compliance.

3) Farmer Welfare, Producer Prices, and the Limits of Aggregate NTP

The findings also show that the impact of food price stabilization policy on farmer welfare cannot be assessed only through aggregate farmer welfare indicators. BPS recorded that the national Farmer Exchange Rate (*Nilai Tukar Petani* or NTP) reached 120.70 in October 2024, increasing by 0.33 percent compared with the previous month (BPS, 2024c). BPS explains that NTP measures the ratio between the price index received by farmers and the price index paid by farmers, and is used to describe the purchasing power or terms of trade of agricultural households (BPS, 2024c). At the aggregate level, this increase suggests that farmer purchasing power improved in October 2024. However, aggregate NTP does not necessarily reflect the welfare condition of rice farmers specifically or small farmers who may face different cost and price structures.

The same BPS release shows that in October 2024, the price of harvest dry unhusked paddy at the farmer level decreased by 0.85 percent, while premium rice prices at the milling level decreased by 0.11 percent (BPS, 2024c). This is important because it shows that farmer welfare dynamics may differ from

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aggregate NTP trends. A rising aggregate NTP may be influenced by price movements in plantation, horticulture, or other agricultural subsectors, while rice farmers may still experience pressure from declining paddy prices. Therefore, the impact of stabilization policy on farmers must be analyzed at the commodity level, not only through national agricultural averages.

The decline in paddy prices at the farmer level indicates the vulnerability of farmers within the stabilization policy framework. When consumer prices are high, government intervention tends to focus on reducing retail prices through SPHP and market operations. However, when farmer prices decline, the policy response must shift toward procurement, floor-price enforcement, and absorption by state food institutions. If the government focuses only on consumer affordability, farmers may bear the cost of stabilization through lower producer prices. This creates distributive imbalance because the welfare burden of affordable food may be transferred to producers, particularly small farmers with limited bargaining power.

Small farmers are especially vulnerable because they often sell paddy immediately after harvest due to cash needs, debt obligations, limited storage capacity, and lack of direct access to procurement channels. If Bulog or government procurement does not reach them at the right time, they may sell to middlemen at lower prices even when official producer-price policy exists. This means that farmer welfare depends not only on the existence of procurement policy, but also on its accessibility, timing, quality requirements, payment speed, and local implementation. A stabilization policy that does not reach small farmers may protect consumers while leaving producer welfare structurally weak.

The findings therefore suggest that food price stabilization must be designed as a dual-protection policy. Consumer affordability and farmer welfare should not be treated as opposing goals, but as two dimensions of food-system justice. Consumers need stable and affordable prices, especially during inflationary pressure, while farmers need fair farm-gate prices and reliable market absorption. A balanced stabilization policy requires the government to combine SPHP distribution with strong domestic procurement, maintain transparent price references, improve farmer access to Bulog procurement, and ensure that market operations are not conducted in a way that suppresses farmer prices during harvest.

4) Toward a Balanced Food Price Stabilization Model

The overall findings indicate that Indonesia's food price stabilization policy has a strong consumer-protection orientation, but its farmer-welfare impact depends on the strength of procurement and producer-price protection. SPHP and market operations are necessary when rice prices rise sharply, as seen in February 2024 when rice prices increased significantly and subsidized rice distribution became important for low-income consumers (Reuters, 2024a; Reuters, 2024b). However, stabilization policy becomes incomplete if it

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only focuses on reducing consumer prices without ensuring that farmers receive fair compensation for their production. This is particularly important because food production sustainability depends on farmer incentives.

A balanced model should begin with integrated price monitoring from farm-gate to retail level. Retail prices alone cannot explain whether stabilization is fair, because lower retail prices may be achieved at the expense of farmers. Farm-gate prices alone also cannot explain consumer affordability, because high producer prices may be accompanied by excessive margins in milling, distribution, or retail. Therefore, government intervention should monitor price formation across the entire value chain, including production costs, paddy prices, milling prices, wholesale prices, retail prices, and logistics margins. Such monitoring would allow the government to identify whether price increases are caused by supply shortage, distribution inefficiency, speculative behavior, or cost escalation.

The second requirement is stronger synchronization between SPHP and domestic procurement. SPHP should reduce consumer price pressure, while domestic procurement should protect farmers when harvest supply increases. These two instruments must be managed together. If SPHP is implemented without adequate procurement, farmers may perceive the policy as price suppression. If procurement is conducted without effective consumer intervention, retail prices may remain high. Therefore, Bulog's dual function must be strengthened through adequate funding, storage capacity, local procurement networks, and coordination with the National Food Agency and regional governments.

The third requirement is improved targeting of market operations. SPHP should be directed to regions and groups most affected by high prices, rather than distributed uniformly without considering regional price disparities. The National Food Agency's 2024 policy to target high-price regions shows an important step toward more selective intervention (Badan Pangan Nasional, 2024). However, selective intervention requires accurate data and effective retail monitoring to ensure that subsidized rice reaches consumers at the intended price. Without monitoring, the benefit of stabilization may be captured by intermediaries rather than consumers.

The fourth requirement is farmer-centered procurement reform. Government procurement must be accessible to small farmers, farmer groups, cooperatives, and local rice mills. This requires simpler procedures, clear quality standards, fast payment mechanisms, and procurement schedules aligned with harvest periods. The 2024 subsidized credit policy for food procurement companies shows that the state recognizes the importance of making Bulog and ID FOOD stronger offtakers for farmers' products (Reuters,

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2024c). Yet, credit support should be accompanied by institutional reforms that ensure procurement benefits reach farmers directly, rather than only strengthening large procurement actors.

In summary, food price stabilization policy in Indonesia contributes significantly to consumer protection, especially during periods of rising rice prices and volatile food inflation. However, its contribution to farmer welfare remains conditional on procurement effectiveness, farm-gate price protection, and equitable value-chain governance. The central policy challenge is not choosing between consumers and farmers, but designing stabilization instruments that protect both groups simultaneously. The novelty of this analysis lies in framing food price stabilization as a balancing mechanism between consumer affordability and farmer welfare. A policy that successfully lowers prices but weakens farmer incentives may create long-term production risks, while a policy that protects farmers but ignores consumer affordability may increase inflation and food insecurity. Therefore, balanced stabilization must become the core principle of Indonesia's food price governance.

4. Conclusion

This study concludes that food price stabilization policy in Indonesia plays an important role in protecting consumers from excessive increases in staple food prices, particularly rice. Government intervention through market operations, SPHP distribution, public food reserves, and Bulog's market role has helped maintain food affordability during periods of price pressure and volatile food inflation. However, the findings also show that food price stabilization cannot be evaluated only from the perspective of consumer price reduction. A policy that successfully lowers retail prices may still create welfare risks if it weakens farm-gate prices, reduces farmer incentives, or fails to absorb domestic production effectively.

The main finding of this study is that food price stabilization policy contains a structural tension between consumer protection and farmer welfare. Consumers need affordable staple food prices to maintain household purchasing power, while farmers need fair producer prices to cover production costs and sustain agricultural livelihoods. This tension becomes visible when the government releases rice into the market to suppress consumer prices, but farmer-level prices decline during harvest periods. Therefore, the effectiveness of stabilization policy depends on the balance between downstream intervention and upstream protection. SPHP and market operations must be synchronized with domestic procurement, producer-price support, and farmer access to state procurement channels.

This study also finds that Bulog occupies a strategic position in balancing the interests of consumers and farmers. Bulog's role in distributing government rice reserves contributes to consumer affordability, while its procurement function can support farmer welfare when domestic production needs absorption. However, this dual role requires adequate funding, accurate market data, sufficient stock, timely procurement, reliable distribution networks, and coordination with the National Food Agency and regional governments. Without

these conditions, Bulog may function more strongly as a consumer-price stabilizer than as a farmer-welfare protector.

The novelty of this study lies in framing food price stabilization policy as a distributive governance mechanism rather than merely an inflation-control instrument. Previous studies have often focused on food prices, inflation, Bulog, or farmer welfare separately. This study contributes by showing that stabilization policy should be assessed through its ability to balance consumer affordability and farmer income protection across the food value chain. Future policy should strengthen integrated price monitoring from farm-gate to retail level, improve farmer-centered procurement, target SPHP distribution more accurately, and ensure that market intervention does not suppress producer prices. Further research is recommended to examine commodity-specific and region-specific impacts of stabilization policy on smallholder farmers, especially during harvest periods and food price shocks.

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