ISSN 2809-8587

Government Policy on Price Equalization and Market Control in Tanah Datar Regency

Agil Rivaldo Hazmi[1], Zefriyenni[2]
[1,2] Putra Indonesia University "YPTK" Padang

Price stability and market control are crucial for maintaining public welfare and regional economic stability. Fluctuations in the prices of basic necessities can impact people's purchasing power, traders' incomes, and production and distribution activities. Tanah Datar Regency, as a region in West Sumatra Province, faces challenges in maintaining a balance between the availability of goods, affordable prices, producer interests, and the sustainability of traders' businesses. This article aims to analyze government policies on price equalization and market control in Tanah Datar Regency. The method used is a qualitative descriptive approach utilizing secondary data in the form of government policies, price information, inflation control programs, and various literature related to price stabilization and market mechanisms. The study results indicate that local governments play a strategic role through price and stock monitoring, market operations, the Affordable Food Movement, strengthening distribution, trade supervision, and coordination through the Regional Inflation Control Team. These policies serve to reduce price volatility and maintain the affordability of basic necessities. However, the effectiveness of these policies is still influenced by supply conditions, distribution costs, seasonal changes, and coordination between economic actors. Therefore, strengthening price information systems, efficient distribution, interregional cooperation, and ongoing market monitoring are necessary.
Keywords: Government Policy, Price Equalization, Market Control, Price Stability, Flat Land

Corresponding Author:
Agil Rivaldo Hazmi
Putra Indonesia University "YPTK" Padang
Agilrivaldo25@gmail.com

1. Introduction

Markets play a crucial role in economic activity as they serve as a meeting place for producers and consumers to transact goods and services. Market mechanisms essentially determine prices through the interaction of supply and demand. However, for food commodities, these mechanisms often face disruptions due to changes in production, seasonality, distribution, transportation costs, and changes in demand. These conditions cause food prices to fluctuate and can put pressure on people's purchasing power. Matondang, Krisnamurthi, and Herawati (2024) explain that price volatility in strategic food commodities has implications for the economic conditions of the community because food is a basic need. Kiha and Rindayati (2013) also show that food price movements between regions are closely related, so that price changes in one region can affect price conditions in other regions.

The issue of price disparities is also a significant concern in market management in Indonesia. Price differences between regions can arise due to differences in production costs, transportation, infrastructure, and the length of the marketing chain. Panjaitan et al. (2019) showed that price disparities in food commodities such as shallots and red chilies are related to production characteristics, distribution costs, and regional conditions. Farid and Subekti (2012) explained that chili price dynamics in Indonesia are influenced by production, consumption, distribution, and the commodity's characteristics, which are susceptible to changes in supply. This situation suggests that the government needs to consider production and distribution factors simultaneously when formulating price stabilization policies.

Tanah Datar Regency has economic characteristics closely linked to the agricultural sector, trade, and traditional market activities. This condition makes price stability of basic necessities a crucial aspect in maintaining public welfare. Differences in characteristics between production and consumption areas can lead to price variations. The distance of the market from the city center, population density, distribution costs, and the level of availability of goods can affect the price of basic necessities. Febrayanto et al. (2026) found that the distance from the market center and population density can be related to price variability of basic necessities in traditional markets. This suggests that price equalization policies in Tanah Datar Regency need to consider regional characteristics and distribution cost structures.

Price equalization in government policy should not be understood as an effort to set the same price across the market. Equalization is more appropriately directed at reducing excessive price disparities, creating fair prices for consumers, and providing adequate profits for producers and traders. Kiha and Rindayati (2013) explain that there is a process of food price convergence between regions, but the degree of this convergence varies by commodity and region. Firdaus (2021) also shows that strategic food price disparities experience different dynamics between normal periods and periods of crisis. Therefore, pricing policies must be adjusted to commodity characteristics and market conditions.

The Tanah Datar Regency Government can use price and stock monitoring of staple foods as a market control instrument. Regular monitoring can provide information on commodities experiencing price increases and help the government determine appropriate action. Herman (2022) shows that strategic food prices vary across regions and periods, making accurate price information crucial for determining stabilization policies. The availability of price information can also increase market transparency, providing consumers with a reference point for transactions, and encouraging traders to implement more competitive prices.

Other instruments that can be used are market operations and the Affordable Food Movement. These policies can serve as government intervention when prices of certain commodities rise. By providing food at relatively more affordable prices, people can obtain basic necessities without facing excessive price pressure. Ariestiyanti and Adrison (2020) explain that market revitalization can contribute to stabilizing food commodity prices by improving the quality of trading facilities and the efficiency of market activities. Therefore, price control should not only be achieved through market operations but also be supported by improvements in market infrastructure and governance.

Price control is also closely related to supply chain efficiency. Long marketing chains can increase transaction costs and create large price gaps between producers and consumers. Ruslan, Firdaus, and Suharno (2016) demonstrated the existence of price transmission issues in the shallot supply chain related to the price formation process. Purwasih (2025) also pointed out that price transmission for red chilies requires attention because price changes at one market level are not always proportionally transmitted to other levels. This situation provides the basis for the government to shorten the distribution chain and strengthen direct relationships between producers and markets.

Strengthening interregional distribution can also be a strategy to reduce price disparities. When one region experiences a commodity surplus while another experiences a shortage, interregional distribution can help create a supply balance. Saban et al. (2022) explain that disparities in cayenne pepper prices between regions can be influenced by production and distribution conditions, making improving the logistics system a necessary strategy. Prasetyo et al. (2023) also point out that limited access and distribution can be factors causing fluctuations and disparities in staple food prices. Therefore, Tanah Datar Regency needs to strengthen cooperation with other regions to meet food needs and distribute surplus commodities.

 ISSN 2809-8587

Market control requires coordination between local governments, farmers, traders, distributors, and related institutions. The Regional Inflation Control Team (TPID) can play a role in integrating policies related to price affordability, supply availability, smooth distribution, and policy communication. Khairunnisa, Andani, and Irnad (2026) demonstrated that food commodity price volatility and transmission need to be analyzed based on interregional relationships because price changes can spread from one market to another. Nuryati and Nur (2012) also found price variability for broiler chicken eggs, demonstrating the importance of supply and distribution control in maintaining price stability.

Government policies also need to be directed at price control based on data and regional characteristics. Dewi (2025) emphasized the importance of a spatially based approach in maintaining stable food supplies and prices, as each region has different characteristics. In the context of Tanah Datar Regency, mapping regions based on price levels, commodity availability, production, and distribution access can help the government determine priority intervention locations. Hertini et al. (2026) also emphasized that food logistics management plays a crucial role in maintaining the stability of staple food prices in Indonesia.

Based on this description, government policy on price equalization and market control in Tanah Datar Regency needs to be implemented through an integrated approach, encompassing production, distribution, trade, and consumption. The government cannot simply intervene when prices rise; it needs to develop a system capable of preventing price fluctuations. Price and stock monitoring, market operations, the Affordable Food Movement, strengthening people's markets, distribution chain efficiency, interregional cooperation, and trade supervision are all instruments that can be used collaboratively. With data-driven, transparent, and sustainable policies, the government can reduce price disparities while maintaining a balance between the interests of consumers, producers, and traders. Ultimately, these policies are expected to create a more stable, efficient, and equitable market, supporting the improvement of the welfare of the people of Tanah Datar Regency.

2. Method

This study uses a qualitative descriptive method to obtain a comprehensive overview of government policies on price equalization and market control in Tanah Datar Regency. The qualitative descriptive approach was chosen because the research is not oriented towards statistical hypothesis testing, but rather towards an in-depth understanding and description of policies, programs, implementation mechanisms, and various conditions that influence price stability in the region. This approach allows researchers to describe the phenomenon of market control based on the economic, social, and government policy conditions developing in Tanah Datar Regency.

The data used in this article is secondary data obtained from various relevant sources. These sources include documents and publications from the Tanah Datar Regency Government, reports on the development of staple food prices, information on food availability and distribution, regional inflation control documents, publications from relevant agencies, and various scientific journal articles discussing pricing policies, market stabilization, food distribution, and inflation control. Secondary data was chosen because it can provide information on policy developments and market conditions over a specific period without having to collect primary data directly from the public or businesses.

Data collection was conducted through documentation and literature studies. Documentation studies were used to identify various local government programs and policies related to price and market control. Meanwhile, literature studies were conducted by reviewing previous research related to price stabilization, price disparities, market mechanisms, supply chains, food distribution, and the role of government. The

ISSN 2809-8587

literature used was selected based on its relevance to the research focus, providing a conceptual foundation and strengthening the discussion on local government policies.

Data analysis was conducted through several stages: identification, grouping, interpretation, and drawing conclusions. In the identification stage, data was collected and sorted based on information regarding government policies, pricing conditions, supply availability, distribution, and market monitoring. Furthermore, the data was grouped based on the type of government intervention, such as price and stock monitoring, market operations, the Affordable Food Movement, distribution strengthening, trade monitoring, and inflation control coordination.

The next stage is data interpretation by linking government policies to market conditions and changes in the prices of basic necessities. The analysis aims to determine the extent to which these policies are able to reduce price disparities, maintain the affordability of basic necessities, maintain the availability of goods, and protect people's purchasing power. The analysis also considers various factors that can hinder policy effectiveness, such as changes in production, weather conditions, transportation costs, distribution limitations, demand fluctuations, and the length of the marketing chain.

The validity of the information is verified through comparisons between data sources, or source triangulation. Information on policies and market conditions is compared with data or findings from other relevant sources to obtain a more objective picture. Furthermore, the analysis results are presented descriptively and systematically to explain the relationship between government policies, price stability, market control, and public welfare. Using this method, the article is expected to provide a comprehensive picture of the effectiveness of Tanah Datar Regency government policies in creating fair prices, stable markets, and more efficient distribution of goods.

3. Results And Disccusion

The Role of Government in Price Stabilization

The government has a strategic role in creating price stability through policies related to production, distribution, trade, and consumption. Price stability is necessary because excessive increases in the price of basic necessities can reduce people's purchasing power. Conversely, prices that are too low can also be detrimental to producers, reducing the incentive to increase production. In the context of Tanah Datar Regency, the government needs to maintain a balance between the interests of consumers and producers. One effort that can be made is to regularly monitor prices in key markets. This price data serves as a basis for the government to identify commodities experiencing price increases and determine the form of necessary intervention. Price monitoring can also be used to detect potential market fluctuations early. If the price of a commodity begins to increase significantly, the government can immediately coordinate with distributors, traders, farmer groups, and relevant agencies. Thus, policies are not merely reactive to price increases but also preventive.

Price Equalization Policy

Price equalization is a policy aimed at reducing price disparities between regions and markets. Price differences within certain limits are normal due to differences in transportation costs, storage costs, and market characteristics. However, excessively large differences can indicate problems in distribution or the trade chain. The Tanah Datar Regency Government can implement price equalization by strengthening the distribution of commodities from areas with surpluses to areas experiencing shortages. This mechanism allows for a more equitable supply of goods, thereby reducing upward price pressures. This policy is especially important for volatile commodities such as chilies, shallots, rice, eggs, and other food commodities. When supplies are low, the government can intervene through low-cost markets or the Cheap Food Movement, ensuring that people continue to obtain basic necessities at more affordable prices.

Market Operations and Affordable Food Movement

Market operations are one instrument the government can use when commodity prices rise. Through market operations, the government or parties collaborating with the government provide certain commodities at more affordable prices than market prices. This policy can have a direct impact on consumers, as people obtain basic necessities at relatively low prices. In addition to market operations, the Affordable Food Movement is an important instrument in maintaining price affordability. This program not only functions as a price intervention but also provides direct access to affordable food for the public. The success of this program is greatly influenced by the accuracy of targeting, commodity availability, implementation location, supply quantity, and implementation time. Therefore, the government needs to determine the location and commodities based on price development data and community conditions.

Distribution and Supply Chain Control

One factor contributing to price differences is the length of the distribution chain. The longer the distribution chain, the greater the likelihood of additional costs before goods reach consumers. This can result in prices received by consumers being higher than those at the producer level. The government can mitigate this problem by strengthening the relationship between producers and markets. Farmers or farmer groups can be facilitated to have direct access to markets, distributors, cooperatives, and marketing institutions. This can make the distribution chain more efficient. Developing interregional cooperation is also an important strategy. Regions experiencing a surplus of a commodity can supply regions experiencing a shortage. This pattern can help maintain supply balance while reducing upward price pressures.

Market Surveillance

Market control is not only concerned with prices, but also with the behavior of business actors. The government needs to conduct oversight to prevent trade practices that could harm consumers. Oversight can include checking product availability, price information, product condition, measuring instruments and scales, and trader compliance with trade regulations. Oversight becomes even more crucial when there is a shortage or increased demand. Under these conditions, the potential for hoarding and price speculation can increase. The government needs to conduct regular inspections and establish a public complaints mechanism so that market issues can be promptly addressed. In addition to direct oversight, transparency of price information is also crucial. The public needs easily accessible price information so consumers have a reference point when making transactions. This information can also encourage healthier competition among traders.

The Role of TPID in Inflation Control

Regional price control requires cross-sector coordination. Regional governments cannot work alone because price stability is influenced by the agricultural, trade, transportation, and distribution sectors, as well as central government policies. Therefore, the Regional Inflation Control Team (TPID) is crucial in coordinating various policies. Inflation control can be achieved through approaches that focus on supply availability, price affordability, smooth distribution, and effective communication. These four aspects are interrelated. Availability of goods without smooth distribution will not guarantee stable prices. Similarly, good distribution will be ineffective if production and supply are insufficient. In the context of Tanah Datar, coordination between the regional government, farmers, traders, distributors, Bulog, and related agencies needs to be strengthened. This coordination will enable the government to obtain faster information on market conditions and take appropriate policies.

Price Control Constraints

Despite various policies, price control faces several obstacles. First, agricultural commodity production is heavily influenced by weather and seasonal conditions. When production declines, supply decreases, and prices tend to rise. Second, distribution costs can affect final prices. Geographical conditions, distance between regions, and transportation costs can cause prices to vary between markets. Third, changes in public demand can also affect prices, particularly around religious holidays and certain periods when consumption increases. Fourth, limited price information can prevent consumers from knowing fair prices. Therefore, the government needs to develop a price information system that is accurate, fast, and easily accessible to the public.

Policy Strengthening Strategy

To improve policy effectiveness, the Tanah Datar Regency government needs to develop a data-driven price control system. Daily price data can be used to identify commodities experiencing price increases and prioritize interventions. This system can also be integrated with stock and distribution information. The government also needs to strengthen collaboration with farmer groups, cooperatives, MSMEs, traders, distributors, and other local governments. This collaboration can shorten the distribution chain and improve marketing efficiency. Furthermore, market operations and the Affordable Food Movement should be implemented based on mapping areas experiencing price pressures and the communities most in need. This approach will ensure that government interventions are more targeted and not merely temporary.

4. Conclusion

Government policies on price equalization and market control in Tanah Datar Regency play a crucial role in maintaining regional economic stability and protecting public purchasing power. These policies can be implemented through price and stock monitoring, market operations, the Affordable Food Movement, strengthening distribution, trade supervision, and coordination through the Regional Food and Drug Monitoring Agency (TPID). Price equalization should be understood as an effort to create fair and affordable prices by reducing price disparities caused by supply and distribution disruptions. To increase the effectiveness of these policies, the government needs to strengthen the price information system, improve distribution networks, enhance interregional cooperation, and conduct continuous market monitoring. With integrated, data-driven policies, price stability can be maintained while creating a more efficient, fair, and beneficial market for the people of Tanah Datar Regency.

5. Reference

[1] MR Matondang, B. Krisnamurthi, and H. Herawati, “Price fluctuations and volatility of national strategic food commodities in Indonesia,” Agrisocionomics: Journal of Agricultural Social Economics, vol. 8, no. 1, pp. 134–146, 2024.

[2] EK Kiha and W. Rindayati, “Convergence of staple food prices between regions in Indonesia,” Journal of Economics and Development Policy, vol. 2, no. 1, pp. 30–46, 2013.

[3] DV Panjaitan, T. Novianti, M. Fazri, and SRW Nugraheni, “Analysis of price disparity and correlation to village funds: Case study of shallots and red chilies,” Journal of Economics and Development Policy, vol. 8, no. 1, pp. 1–19, 2019.

[4] M. Farid and NA Subekti, “Review of the production, consumption, distribution and price dynamics of chilies in Indonesia,” Scientific Bulletin of Trade Research and Development, vol. 6, no. 2, 2012.

[5] CR Febrayanto et al., “The effect of distance from the market to the city and population density on the diversity of staple food prices in traditional markets,” Jurnal Ilmiah Ultras Brebes, 2026.

ISSN 2809-8587

[6] M. Firdaus, "Disparity in strategic food prices before and during the COVID-19 pandemic," Indonesian Economic Journal, vol. 10, no. 2, 2021.
[7] EAS Herman, "Variability and convergence of strategic food prices in Java before and during the COVID-19 pandemic," Tambusai Education Journal, vol. 6, no. 2, 2022.
[8] D. Ariestiyanti and V. Adrison, "Market revitalization and food commodity price stabilization," Scientific Bulletin of Trade Research and Development, vol. 14, no. 2, 2020.
[9] JA Ruslan, M. Firdaus, and Suharno, "Asymmetric price transmission in the shallot supply chain and its relationship with imports in Indonesia," Scientific Bulletin of Trade Research and Development, vol. 10, no. 1, 2016.
[10] R. Purwasih, "Transmission of curly red chili prices in Central Bangka Regency," Food Journal, vol. 34, no. 1, 2025.
[11] AB Saban, S. Sahara, B. Krisnamurthi, and L. Anggraini, "Price disparity of cayenne pepper in Indonesia before and during the COVID-19 pandemic," Policy Brief Tropical Agriculture, Marine, and Biosciences, vol. 4, no. 1, pp. 195–198, 2022.
[12] LBB Prasetyo et al., "Fluctuations and disparities in staple food prices in underdeveloped, remote, outermost, and border areas in North Maluku and West Papua through which the Sea Toll program passes," Mimbar Agribisnis, vol. 9, no. 2, 2023.
[13] NP Khairunnisa, A. Andani, and Irnad, "Volatility, integration, and transmission of broiler chicken egg prices in the Sumatra region," Agricultural Policy Analysis, vol. 24, no. 1, pp. 73–91, 2026.
[14] Y. Nuryati and YH Nur, "Variability of chicken egg prices in Indonesia," Scientific Bulletin of Trade Research and Development, vol. 6, no. 2, 2012.
[15] IK Dewi, "National Food Agency policy strategy through a spatial-based approach in order to maintain the stability of food supply and prices," Journal of Economic, Business and Accounting (COSTING), 2025.
[16] ES Hertini, A. Risdwiyanto, W. Agustina, M. Munizu, and MA Malik, "The role of food logistics management in the stability of staple food prices in Indonesia," Jurnal Lentera Bisnis, vol. 15, no. 1, 2026.
[17] IRA Syah Putri, Harianto, and N. Rosiana, "Price disparity of cayenne pepper (Capsicum frutescens L.) across time and regions in Indonesia," Indonesian Agribusiness Journal, vol. 13, no. 2, pp. 333–349, 2025.
[18] MR Matondang, B. Krisnamurthi, and H. Herawati, "Price fluctuations and volatility of national strategic food commodities in Indonesia," Agrisocionomics: Journal of Agricultural Social Economics, vol. 8, no. 1, pp. 134–146, 2024.