

ABSTRACT

ZULAIHAH (105051100122). *Cocoa Commodity Market Equilibrium in South Sulawesi Province, supervised by SYAFIUDDIN and MOHAMMAD NATSIR.*

This study aims to analyze factors affecting cocoa commodity supply, analyze cocoa commodity demand factors and analyze cocoa commodity market equilibrium in South Sulawesi Province. This research was conducted in South Sulawesi Province using quantitative descriptive method. The data used in this research is secondary data in the form of time series from 1991-2021, the analysis method used is multiple linear regression, then to analyze the Cobweb model with supply and demand functions influenced by price factors.

The results showed that cocoa production in the previous year, cocoa bean price in the previous year, urea fertilizer price in the previous year, cocoa land area in the previous year, and trend had a significant effect on cocoa commodity supply. Cocoa bean price, cocoa export price and cocoa demand in the previous year have a significant effect on cocoa commodity demand in South Sulawesi Province. Meanwhile, income per capita has no significant effect on cocoa commodity. The market equilibrium of cocoa commodity in South Sulawesi Province is experiencing a condition away from equilibrium (divergent) or $|b| = 2.796$ means, $|b| > 1$. This means that the effect of price on supply is very large, so that additional production in response to price increases is relatively large it leads to price explosion (cycle away from the original equilibrium price). A cocoa market equilibrium that moves away from the equilibrium point can have significant implications for the sustainability of cocoa production in South Sulawesi Province, namely, price fluctuations, an unstable market equilibrium can cause significant fluctuations in cocoa prices. When the market moves away from equilibrium, cocoa prices can increase or decrease drastically, which can affect cocoa farmers' production decisions. Price fluctuations can make it difficult for cocoa farmers to predict their income, which can disrupt the sustainability of cocoa production in South Sulawesi Province.

Keywords: *Cocoa, Price, Supply, Demand, Equilibrium*