

AUTHORIZED TRANSLATION



MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

**REGULATION OF THE MINISTER OF TRADE OF
THE REPUBLIC OF INDONESIA**

NUMBER 127 OF 2018

CONCERNING

**MANAGEMENT OF GOVERNMENT RICE RESERVE FOR
THE AVAILABILITY OF SUPPLY AND PRICE STABILIZATION**

UPON GRACE OF THE ONE ALMIGHTY GOD

THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that in order to maintain the availability of supply and price stabilization of rice at the consumer level, it is necessary to manage the Government Rice Reserve;
 - b. that the provision concerning the use of the government rice reserve, as regulated in the Regulation of the Minister of Trade Number 04/M-DAG/PER/1/2012 concerning Use of Government Rice Reserve for the Price Stabilization is no longer in accordance with the community legal need development;
 - c. that based on the considerations, as meant in letter a and letter b, it is necessary to determine the Regulation of the Minister of Trade concerning Management of the Government Rice Reserve for the Availability of Supply and Price Stabilization;

In view of

1. Law Number 39 of 2008 concerning State Ministry (State Gazette of the Republic of 2008 Number 166, Supplement to the State Gazette of the Republic of Indonesia Number 4916);
2. Law Number 18 of 2012 concerning Food (State Gazette of the Republic of Indonesia of 2012 Number 227, Supplement to the State Gazette of the Republic of Indonesia Number 5360);
3. Law Number 7 of 2014 concerning Trade (State Gazette of the Republic of Indonesia of 2014 Number 45, Supplement to the State Gazette of the Republic of Indonesia Number 5512);
4. Government Regulation Number 17 of 2015 concerning Food and Nutrition Security (State Gazette of the Republic of Indonesia of 2015 Number 60);
5. Presidential Regulation Number 7 of 2015 concerning State Ministry Organization (State Gazette of the Republic of Indonesia of 2015 Number 8);
6. Presidential Regulation Number 48 of 2015 concerning Ministry of Trade (State Gazette of the Republic of Indonesia of 2015 Number 90);
7. Presidential Regulation Number 71 of 2015 concerning Determination and Storage of Staple Goods and Important Goods (State Gazette of the Republic of Indonesia of 2015 Number 138);
8. Presidential Regulation Number 48 of 2016 concerning Assignment to Perum BULOG in the framework of the National Food Security (State Gazette of the Republic of Indonesia of 2016 Number 105);
9. Regulation of the Minister of Trade Number 08/M-DAG/PER/2/2016 concerning Organization and Work System of the Ministry of Trade (State Gazette of the

- Republic of Indonesia of 2016 Number 202);
10. Regulation of the Minister of Trade Number 57/M-DAG/PER/8/2017 concerning Determination of Highest Retail Price of Rice (State Gazette of the Republic of Indonesia of 2017 Number 1182);
 11. Regulation of the Coordinating Minister of Economy Number 5 of 2018 concerning Coordination of the Government Rice Reserve Management for the Price Stabilization (State Gazette of the Republic of Indonesia of 2018 Number 1285).

HAS DECREED:

To determine : THE REGULATION OF THE MINISTER OF TRADE CONCERNING THE MANAGEMENT OF THE GOVERNMENT RICE RESERVE FOR THE AVAILABILITY OF SUPPLY AND PRICE STABILIZATION.

Article 1

The meaning of the following in this Regulation of the Minister is:

1. Rice is the main product obtained from the grain grinding process of the paddy plant (*Oryza sativa* L), where the overall husk layer is peeled off and the overall or part of the body and bran layer have been separated, either in form of whole rice grain, rice head, broken rice, or groats.
2. The Public Company (Perum) BULOG, which is hereinafter abbreviated Perum BULOG, is the Perum BULOG as regulated in the Presidential Regulation Number 48 of 2016 concerning Assignment to the Public Company (Perum) BULOG in the framework of the National Food Security or its amendment.

3. Government Rice Reserve, which is hereinafter abbreviated CBP, is the supply of rice controlled and managed by the Government through Perum BULOG, originating from the domestic or foreign procurement, with the direction of use to maintain the price stability of rice.
4. Highest Rice Retail Price, which is hereinafter abbreviated HET, is the highest sales price of packed or poured rice at the public market, modern shop or other retail sales locations.
5. Rice Price Fluctuation is the increase of Rice price at the consumer level reaching 5% (five percent) or more against HET with the duration of minimum 1 (one) week and/or may worry the community based on the official report of the local government.
6. Availability of Supply and Price Stabilization are the actions carried out by the Government in order to prevent and/or handle the occurrence of the Rice Price Fluctuation in area or overall areas of Indonesia by using the CBP.
7. The Rice Purchase Price, which is hereinafter referred to as HPB is the purchase price of government rice from Perum BULOG.
8. Review is the activity of checking the legality, completeness and correctness of the documents of CBP distribution from Perum BULOG in the framework of implementing the availability of supply and stabilization of rice price.
9. Minister is the minister who organizes the administration affairs in the trade sector.

Article 2

- (1) The Government carries out the Availability of Supply and Price Stabilization in order to prevent and overcome the Rice Price Fluctuation.

- (2) The Availability of Supply and Price Stabilization, as meant in paragraph (1) is carried out by the Minister.
- (3) The implementation of the Availability of Supply and Price Stabilization, as meant in paragraph (2), may be as follows:
 - a. Directly at the consumer level at the public market central market, and locations within easy reach by the consumers; and
 - b. Through large distributors and/or partners of Perum BULOG by still observing the sales price until the consumer retail level in accordance with the provisions of the legislative regulations.

Article 3

- (1) The large distributor and/or partner of Perum BULOG, as meant in Article 2 paragraph (3) letter b, is appointed by the President Director of Perum Bulog.
- (2) The provision concerning appointment of large distributor and/or partner of Perum BULOG, as meant in paragraph (1), is determined by the President Director of Perum BULOG.

Article 4

- (1) The Minister assigns Perum BULOG for the implementation of the Availability of Supply and Price Stabilization.
- (2) The assignment of the Minister to Perum BULOG, as meant in paragraph (1), is carried out based on the following:
 - a. The result of evaluation on the national average Rice price that shows the occurrence of the Rice Price Fluctuation and/or result of the resolution of the coordination meeting directed by the Coordinating

Minister of Economy; and/or

- b. Proposal from the local government completed with the data and information, covering the occurring price condition, estimation of required amount of Rice, as well as the plan of the location for the implementation of the Availability of Supply and Price Stabilization.

Article 5

The Minister determines the price of Rice at the Perum BULOG warehouse and HET of CBP sales in the implementation of the Availability of Supply and Price Stabilization.

Article 6

The Rice for implementation of the Availability of Supply and Price Stabilization at the consumer level should be completed with the information on the type of Rice and sales price,

Article 7

- (1) The mixing may be carried out on the Rice, as meant in Article 6.
- (2) The Rice, as meant in paragraph (1), should be sold in accordance with the provisions of the legislative regulations.

Article 8

The volume of Rice that is distributed for the implementation of the Availability of Supply and Price Stabilization is adjusted to the availability of CBP that is managed by Perum BULOG.

Article 9

The Minister determines the period and definitive plan for the volume of Rice that is monthly distributed for each region.

Article 10

- (1) The cost for the need of implementing the Availability of

Supply and Price Stabilization is charged to the National Budget through the CBP fund.

- (2) The cost, as meant in paragraph (1), is the difference of HBP and the price at the warehouse of Perum BULOG.
- (3) The payment system of costs, as meant in paragraph (2), is carried out in accordance with the provisions of the legislative regulations.

Article 11

At the implementation of the Availability of Supply and Price Stabilization, the Review should be carried out on the volume of Rice and difference of HBP and the price at the warehouse of Perum BULOG.

Article 12

- (1) The Review, as meant in Article 11, is carried out monthly by the Financial and Development Control Agency.
- (2) The Financial and Development Control Agency submits the report on the result of Review to the Minister or Director General of Domestic Trade within not later than 7 (seven) working days after the running month.
- (3) The report on the result of Review, as meant in paragraph (2), becomes the basis for compensation of HBP and the price at the warehouse of Perum BULOG.

Article 13

The monitoring and evaluation are carried out in order to ensure that the implementation of the Availability of Supply and Price Stabilization are already in accordance with the provisions that are regulated in this Regulation of the Minister.

Article 14

- (1) The monitoring and evaluation, as meant in Article 13, is carried out by the team established by the Minister.
- (2) The team, as meant in paragraph (1), consists of the

following:

- a. Ministry of Trade;
 - b. Related Regional Apparatus Organization;
 - c. Regional Food Task Unit; and
 - d. Regional Division of Perum BULOG in accordance with their respective working area.
- (3) The team, as meant in paragraph (1), periodically carries out the monitoring and evaluation minimum 1 (one) time monthly.
- (4) The team, as meant in paragraph (1), submits the report on the results of monitoring and evaluation to the Minister cq. Director General of Domestic Trade.

Article 15

- (1) In the implementation of the Availability of Supply and Price Stabilization, Perum BULOG periodically reports the use of CBP within not later than 30 (thirty) days of the running month to the Minister with copies to the minister who organizes the administration affairs in the economic coordination, the minister who organizes the administration affairs in the agriculture sector, and the minister who organizes the administration affairs in the financial sector.
- (2) The report, as meant in paragraph (1), contains minimum the following:
- a. Details of the amount of CBP distribution in each area; and
 - b. Remaining amount of CBP stock.

Article 16

The provisions concerning the instructions for the implementation of the Availability of Supply and Price Stabilization are determined by the Minister.

Article 17

At the time this Regulation of the Minister commences

applicable, the Regulation of the Minister of Trade Number 04/M-DAG/PER/1/2012 concerning Use of Government Rice Reserve for Price Stabilization (State Gazette of the Republic of Indonesia of 2012 Number 162) is revoked and declared as not applicable.

Article 18

This Regulation of the Minister commences applicable on 1 January 2019.

So that it is known by everyone, the enactment of this Regulation of the Minister is instructed with its placement in the State Gazette of the Republic of Indonesia.

Determined in Jakarta

On : December 26, 2018

MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

signed

ENGGARTIASTO LUKITA

Enacted in Jakarta

On : December 31, 2018

DIRECTOR GENERAL

OF LEGISLATIVE REGULATIONS

MINISTRY OF LAW AND HUMAN RIGHTS

REPUBLIC OF INDONESIA

signed

WIDODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2018 NUMBER 1888

Copy conforms to the original

Secretariat General

Ministry of Trade

Head of Legal Bureau,

signed and sealed

SRI HARIYATI

I, **Anang Fahkcrudin**, a sworn and authorized translator, practicing in Jakarta, do solemnly and sincerely declare that the foregoing document is a true and faithful translation from **Indonesian into English** of the original version.

Jakarta, August 10, 2019