

ABSTRACT

Shallots are an important food commodity that has significant price fluctuations, so it requires in-depth analysis related to market dynamics. The research method uses time series data on shallot prices from various levels of the supply chain in Indonesia. The analysis is carried out by considering factors such as season, supply, demand, and trade policies. This study aims to analyze price volatility and the level of vertical integration of the shallot market in Indonesia using a quantitative approach through the Autoregressive Conditional Heteroskedasticity (ARCH) / Generalized Autoregressive Conditional Heteroskedasticity (GARCH) and Vector Autoregression (VAR) / Vector Error Correction Model (VECM) models.

Keywords: Price volatility, vertical integration, ARCH / GARCH, VAR / VECM, shallots, commodity markets