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“Entrepreneurship on Global Economics Development in the Era of Society 5.0”

Analysis of Factors Affecting Coffee Export Demand in Indonesia**Riska Ainisyah Siregar¹, Sri Endang Rahayu^{1*}**¹Universitas Muhammadiyah Sumatera Utara

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***Email:** sriendang@umsu.ac.id**ABSTRACT**

Coffee is one of the main export plantation commodities that plays an important role in Indonesia's economic growth. Coffee commodities act as a source of income for coffee farmers and a source of foreign exchange for the country. This study aims to descriptively analyze the economic demand for coffee commodity exports in Indonesia and estimate the factors that affect the demand for coffee commodity exports in Indonesia during the co-19 pandemic. In this study, the dependent variable is the demand for Indonesian coffee exports and the independent variables are domestic coffee prices, international coffee prices, Indonesian coffee production, and exchange rates. Coffee production has increased but coffee exports have decreased. This is due to the increasing domestic demand for coffee with the increase in coffee lovers in Indonesia. This study uses estimation and proves how the variables of domestic coffee prices, international coffee prices, Indonesian coffee production, and exchange rates affect Indonesia's coffee export demand. The data used in this study are timeseries data in 2012-2021 and use Eviews 12 software to analyze the data using multiple linear regression. The results of this study indicate that international coffee prices, Indonesian coffee production, and exchange rates have a positive and significant effect on Indonesian coffee export demand and domestic coffee prices have a negative and insignificant effect on Indonesian coffee export demand.

Keywords: Indonesian coffee export demand, Domestic coffee price, International coffee price, Indonesian coffee production and Exchange rate

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INTRODUCTION

The development of the agricultural sector in Indonesia is very beneficial through the development results that have been achieved so far. This cannot be denied considering that Indonesia has a very large natural resource capital, thus providing opportunities for the development of agricultural businesses. The development of the plantation sub-sector is part of the development of the agricultural sector, agriculture as a whole (Santoso, 1999). One of the plantation crops is coffee, which is a plantation commodity that is widely cultivated by farmers and private companies. This is because this commodity has a high and strategic economic value, both to provide an increase in farmers' income and can even add foreign exchange to the country.

According to Santosa (1999) coffee is one of the plantation commodities that is expected to increase export value. Coffee is one of the mainstay export plantation commodities that plays an important role in Indonesia's economic growth. Coffee commodities act as a source of income for coffee farmers, a source of foreign exchange, a producer of industrial raw materials, and a provider of employment through processing, marketing, and trade activities both domestically and abroad (Hervinaldy, 2017).

Coffee has become a very popular drink in the world, including in Indonesia. In 2021, Indonesia was recorded as the country with the fifth largest coffee consumption in the world with an amount reaching 5 million 60-kilogram bags, (International Coffee Organization, 2022).

Coffee is one of the foreign exchange earners from the non-oil and gas sector for Indonesia. Coffee exports are the fourth largest source of foreign exchange after palm oil, rubber and cocoa commodities. According to data released by the International Coffee Organization in 2022, Indonesia is the world's 4th largest exporter after Brazil (3,336,441), Vietnam (2,802,414) and Colombia (1,045,119) (units in 60 kg packs). According to data released by the Directorate General of International Trade Negotiations, Indonesia is also the world's 4th largest coffee producing country after Brazil, Vietnam and Colombia with 2016 production reaching 639,305 tons and an area of 1,228,512 ha. The Directorate General of Plantations noted that the country's coffee production was 1,262,590 tons in 2022. South Sumatra ranks as the largest coffee producer in Indonesia followed by Lampung, Aceh and North Sumatra provinces.

The COVID-19 pandemic began with the discovery of cases in Wuhan City, China in late 2019. COVID-19 has destroyed various strategic sectors in many countries, including Indonesia. This COVID-19 control strategy has had a direct impact on one of the crucial sectors in Indonesia, namely the economic sector which has caused disruption to the buying and selling system both on a micro and macro scale. Although the government has made various efforts to prioritize the economic sector while also focusing on controlling COVID-19, Indonesia's export growth has also been affected due to restrictions on mobilization and disruption of distribution channels.

BPS (2021) shows that the growth of the economic sector has declined since the first COVID-19 case was discovered. It was noted that the Indonesian economy in 2020 experienced a growth contraction of 2.07% compared to 2019. In terms of production, the transportation and storage business field experienced the deepest growth contraction of 13.42%. On the expenditure side, the export component of goods and services experienced the deepest growth contraction of 7.21%. This condition illustrates that the COVID-19

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pandemic has hampered Indonesia's economic growth. This statement is confirmed by Fahrika and Roy (2020) that the COVID-19 pandemic is also the main factor causing disruption in distribution channels which has resulted in a decline in export performance.

Coffee is one of the mainstay export plantation commodities that plays an important role in Indonesia's economic growth. Coffee commodities act as a source of income for coffee farmers, a source of foreign exchange, a producer of industrial raw materials, and a provider of employment through processing, marketing, and trade activities both domestically and abroad (Hervinaldy, 2017). The forms of coffee traded on the world market include green coffee, roasted coffee and soluble coffee. Indonesia is the world's largest coffee exporter by export volume, while by export value Indonesia ranks second after Germany.

The volume of Indonesian coffee exports ranked first at 250,000 tons, while the value of Indonesian coffee exports ranked second after Germany at 600,000 tons. Therefore, policies to strengthen coffee export performance should include comprehensive policies covering improvements in the upstream to downstream agricultural system.

However, the Covid-19 pandemic has reduced the performance of coffee exports, which is reflected in the dynamics of coffee export values that tend to decline during the Covid-19 pandemic.

In addition to the dynamics of coffee export value, which tends to decline during the Covid-19 pandemic, Indonesia's coffee agribusiness also has constraints at both the upstream and downstream levels. Low plant productivity is a problem of Indonesian coffee development at the upstream level. At the downstream level, the constraints faced by coffee farming actors are limited production facilities and infrastructure (processing and packaging machines) and lack of technology dissemination (Nalurita et al. 2014). These conditions are factors that cause the absence of welfare for Indonesian coffee farmers.

The upstream agribusiness subsystem is a subsystem that provides production advice ranging from seeds, animal feed, fertilizers, drugs to control plant pest organisms, fuel, agricultural tools and agricultural production equipment (Maulidah, 2012). The downstream agribusiness subsystem is the processing and marketing subsystem of agricultural and processed products. In this subsystem there is a chain starting from the collection of farm products, processing, storage to distribution of agricultural products to consumers (Firdaus, 2008).

METHOD

This research uses a quantitative descriptive approach whose purpose is to describe and analyze the factors that affect coffee export demand in Indonesia. The type of data used in this study is secondary data sourced from the Central Statistics Agency (BPS). Data collection techniques with documentation and data used in this study are timeseries data in 2012-2021 and using Eviews 12 software to analyze data using multiple linear regression.

RESULT AND DISCUSSION**Domestic Coffee Price**

Coffee prices prevailing in the market include domestic prices, namely prices prevailing in the domestic market. Coffee prices at the Indonesian producer level based on BPS data in the last ten years have shown significant growth.

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Table 1. Coffee Price Development in Indonesia 2012-2021

Year	Domestic Coffee Price
2012	16.406
2013	15.884
2014	17.510
2015	19.813
2016	24.802
2017	24.802
2018	25.305
2019	24.000
2020	28.000
2021	23.000

Source : BPS, 2022.

From Table 1, it can be seen that the lowest domestic coffee price occurred in 2013, which amounted to IDR 15,884. And the highest domestic coffee price occurred in 2020, which amounted to IDR 28,000. This high price increase was due to the implementation of restrictions on community activities due to the pandemic which resulted in specialty coffee consumption falling while retail consumption including households rose. People don't dare to go to cafes but they can buy coffee and consume it at home. In 2021, domestic coffee prices look back to normal like the year before the pandemic because in 2021 the situation has started to improve and there is a policy from the government, namely new normal.

International Coffee Price

International prices are prices that apply to the world market. Every year the price changes, this is due to the instability of demand and supply for the commodity. Fluctuating prices can affect the amount of demand or supply for these commodities and vice versa. In addition, price changes can also be a reference to the competitiveness of coffee commodities against the development of the plantation sector in the domestic and international markets.

Table 2. International Coffee Prices in 2012-2021

Year	International Coffee Prices
2012	30.336
2013	27.469
2014	32.075
2015	20.692
2016	26.872
2017	30.483
2018	28.962
2019	27.802
2020	29.452
2021	33.202

Source: BPS, 2022.

Seen in table 2, the lowest international coffee price occurred in 2015, which amounted to IDR 20,692. and the highest price occurred in 2021, which amounted to IDR 33,202.

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Indonesia's Coffee Production

Coffee plants in Indonesia spread in several regions, namely Sumatra, Java, Sulawesi, and Bali. Coffee-producing areas include the provinces of South Sumatra, North Sumatra, Lampung, Bengkulu, East Java, Nangroe Aceh Darussalam, and South Sulawesi. The largest coffee producing area is South Sumatra province. The coffee plants developed in Indonesia are Robusta and Arabica coffee types.

Production is one of the sources of supply that has an important role, the availability of coffee intended for export purposes can be seen from the amount of coffee production produced. If the amount of coffee production is large, the availability of coffee exports is also high, making it possible to increase the demand for coffee exports. However, if Indonesia's coffee production is low, the availability of coffee for export will also decrease, which allows export demand to decrease. The development of coffee production in Indonesia comes from smallholder plantations, large private plantations and state plantations.

Table 3. Total Production of Coffee Commodities in Indonesia in 2012-2021

Year	Produksi Kopi (Ton)
2012	691.163
2013	675.881
2014	643.857
2015	639.355
2016	663.871
2017	717.962
2018	722.461
2019	752.511
2020	1.250.452
2021*)	1.258.979

Source : BPS, 2022.

Indonesia's coffee production over a 10-year period showed fluctuating developments from 2012 to 2019, and in 2020 experienced a significant increase of 1,250,452 tons.

Exchange rate

Changes in the exchange rate of certain currencies against the rupiah that occur in the money market are closely related to the expectations of the community, especially business people on the exchange rate in the future. Export activities that use a lot of local resources, such as agriculture (agribusiness), are classified as activities that are strongly influenced by this. Therefore, an increase or decrease in the exchange rate of the US dollar against the rupiah can trigger the rise and fall of exports of agricultural products, in this case coffee commodities. The development of the US Dollar exchange rate against the Rupiah can be seen in Table 4.

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Table 4. Development of USD Exchange Rate against Rupiah in 2012-2021

Year	Exchange Rate
2012	9670
2013	12189
2014	12440
2015	13795
2016	13436
2017	13548
2018	14481
2019	13901
2020	14105
2021	14269

Source : BPS, 2022

Regression Result Analysis

The approach used in this research is to use quantitative methods, using multiple linear regression analysis models that explain the relationship between domestic coffee prices (HKD), international coffee prices (HDI), Indonesian coffee production (PK) and exchange rates (Kr) on Indonesian coffee export demand (PEK). By using timeseries data for the period 2012-2021.

From the regression results in Table 5, the problem was found that partially There is an independent variable that does not significantly affect the Indonesian coffee export demand variable (PEK), namely the domestic coffee price variable (HKD) which has a prob/significant value greater than 0.1 ($\alpha > 10\%$). Other independent variables, namely the international coffee price variable (HKI), Indonesian coffee production (PK) and exchange rate (Kr) have a value smaller than 0.1 ($\alpha < 10\%$), which means that the international coffee price variable (HKI), Indonesian coffee production (PK) and exchange rate (Kr) have a significant effect on the Indonesian coffee export demand variable (PEK). However, the regression produces a high Adjusted R-Squared of 0.927, which means that the ability of the independent variables to explain the dependent variable is very high and there is no autocorrelation. So the next test will be carried out, namely the multicollinearity test, heteroscedasditisity test, and normality test using these variables.

Table 5. Regression Results of Indonesian Coffee Export Demand Model

Dependent Variable: PEK				
Method: Least Squares				
Date: 10/01/22 Time: 16:21				
Sample: 2012 2021				
Included observations: 10				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-176892.0	150092.5	-1.178553	0.2916
HKI	15.34824	5.936205	2.585531	0.0491
HKD	7.052923	9.414971	0.749118	0.4875
PKI	0.171818	0.079050	2.173524	0.0818
KR	56.78002	17.69794	3.208285	0.0238
R-squared	0.959656	Mean dependent var	1123768.	
Adjusted R-squared	0.927380	S.D. dependent var	170043.1	
S.E. of regression	45823.32	Akaike info criterion	24.60983	
Sum squared resid	1.05E+10	Schwarz criterion	24.76112	
Log likelihood	-118.0491	Hannan-Quinn criter.	24.44386	
F-statistic	29.73329	Durbin-Watson stat	2.859101	
Prob(F-statistic)	0.001111			

Source : processed data

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Estimation

Correlation (R)

From the regression results, namely the demand for Indonesian coffee exports obtained an R value of 0.959656, meaning that the degree of closeness between domestic coffee prices, international coffee prices, Indonesian coffee production (PK) and exchange rates (Kr) on Indonesian Coffee Export Demand is 95.96%.

Coefficient of Determination

The Coefficient of Determination shows the percentage proportion of the total variable in explaining the dependent variable explained by the independent variables together. Based on the estimation model, namely the variables that affect Indonesia's Coffee Export Demand (PEK) and seen the value of R² is 0.959656, meaning that together the variables of domestic coffee prices (HKD), international coffee prices (HKI), Indonesian coffee production (PK) and exchange rates (Kr) affect Indonesia's coffee export demand (PEK) by 95.96%. While 4.04% is explained by other variables that are not included in the estimation model or are in the disturbance error term.

Interpretation of Result

From the regression results on the variable model Indonesian coffee export demand as follows:

$$PEK_t = \beta_0 + \beta_1 HKD_t + \beta_2 HDI_t + \beta_3 PKI_t + \beta_4 Kr_t + \varepsilon_t$$

Then the interpretation of the first model results is as follows:

$$PEK_t = -176892,0 + 7,052923 HKD_t + 15,34824 HKI_t + 0,171818 PKI_t + 56,78002 Kr_t + \varepsilon_t$$

Constant or Coefficient $\beta_0 = -176892.0$, this value indicates that if the domestic coffee price (HKD), international coffee price (IPR), Indonesian coffee production (PK) and exchange rate (Kr) are ignored, the average demand for coffee exports in Indonesia is 176892.0 and if seen from the processed results, it is known that the probability value is 0.2916% which means it is not significant.

The coefficient $\beta_1 = 7.0529$, meaning that if the value of domestic coffee prices (HKD) increases by 1 rupiah, the demand for coffee exports in Indonesia will also increase by 7.0529 tons / year and when viewed from the probability value of 0.4875 (> 0.1) which means insignificant. This shows that high or low domestic coffee prices do not significantly affect the demand for coffee exports in Indonesia and vice versa. Price is one of the factors that can affect Indonesia's coffee export demand. If the prevailing price in the country (domestic) is high, then it affects the decrease in export demand and if the price in the country is low, the effect is to increase export demand.

Domestic price changes tend to fluctuate annually, but often increase. If there is an increase in domestic coffee prices, it will reduce export demand. This happens because coffee farmers will prefer to sell their products domestically rather than abroad. Conversely, if domestic coffee prices decline, coffee farmers will prefer to sell their products abroad. This relationship is consistent with economic theory, where an increase in the domestic price of coffee will reduce export demand as domestic prices become relatively more expensive.

The coefficient $\beta_2 = 15.3482$, meaning that if the value of international coffee prices (HDI) increases by 1 rupiah, the demand for coffee exports in Indonesia will also increase by 15.3482 tons / year and when viewed from the probability value of 0.0491 (< 0.1) which means significant. This shows that high or low international coffee prices have a significant effect on coffee export demand in Indonesia.

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International coffee price is the price of coffee competing in the world market. In this study, international coffee prices have a positive and significant effect. This shows that Indonesia's coffee export demand is affected by changes in international coffee prices. The results of this study are in accordance with the theory put forward by Lipsey (1995), which states that the higher the price of a commodity, the more the amount offered by the seller increases.

Looking at the positive sign, it can be concluded that world coffee is a substitute good for Indonesian coffee for the people of export destination countries. When the price of Indonesian coffee rises, consumers will look for substitute goods at a cheaper price than the price of Indonesian coffee, in this case Brazilian, Colombian, Vietnamese coffee which is a substitute for Indonesian coffee.

The coefficient $\beta_3 = 0.1718$, meaning that if the level of Indonesian coffee production (PK) increases by 1 ton, the demand for coffee exports in Indonesia will also increase by 0.1718 tons/year and when viewed from the probability value of 0.0818 (> 0.1) which means significant. This shows that the high or low production of Indonesian coffee has a significant effect on the demand for coffee exports in Indonesia.

Production is one of the main components in agribusiness, especially in the world of exports. The results of the analysis of the effect of domestic coffee production on coffee exports in Indonesia have a direct positive effect. Production is able to increase coffee exports if the products produced by each region are able to improve the quality and quality set by the destination country of coffee exports.

According to the Ministry of Agriculture (2013), nearly 70% of Indonesia's coffee production is marketed to various countries and only about 30% is used for domestic consumption. This condition illustrates that Indonesian coffee is highly dependent on the export market. Thus, domestic coffee production can increase coffee exports. Vice versa, if production decreases, coffee exports will decrease because there are no goods to meet consumer demand.

The coefficient $\beta_4 = 56.78002$, meaning that if the exchange rate (Kr) increases by 1000 rupiah, the demand for coffee exports in Indonesia will also increase by 56.78002 tons/year and when viewed from the probability value of 0.0238 (< 0.1) which means significant. These results are in accordance with the theory showing the high or low exchange rate significantly affects the demand for coffee exports in Indonesia.

The exchange rate reflects the price level that residents of both countries agree to trade (Mankiw, 2003). When the value of a country's currency increases against another country's currency, there will be currency appreciation. Conversely, when a country's currency decreases in value against the currencies of other countries, there will be a currency depreciation. The relationship between the exchange rate and the export demand of a good is negative, it concludes that the exchange rate of USD against Rupiah has a real influence on the quantity of Indonesian coffee exports and has a positive function coefficient. This reinforces that if the exchange rate appreciates, it will result in a decrease in coffee export demand, and vice versa if the exchange rate depreciates, it will result in an increase in coffee export demand and an increase in the trade balance.

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Statistical Test

Simultaneous Significant Test (F-test)

The F-test statistic aims to test the significance of all independent variables together on the value of the dependent variable. From the regression results using the autoregressive variable of domestic coffee prices (HKD), international coffee prices, Indonesian coffee production and exchange rates on Indonesian coffee export demand, has a probability value (F statistic) of 0.001111 and an F statistic value of 29.73329. So with this value it can be concluded that the independent variables together have a significant effect on the dependent variable.

Classical Assumption Test

Multicollinearity Test

The multicollinearity test is carried out to determine whether the regression model formed is correlated between the variables in the model. If multicollinearity occurs, the correlation value between independent variables is equal to zero. One way to see whether there is multicollinearity in a regression model is to look at the Tolerance value and Variance Inflation Factor (VIF).

Table 6. Multicollinearity Test Result

Variance Inflation Factors

Date: 10/01/22 Time: 16:22

Sample: 2012 2021

Included observations: 10

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	2.25E+10	107.2865	NA
HKI	35.23853	83.57766	2.705890
HKD	88.64167	51.52043	1.398133
PKI	0.006249	20.83703	1.547345
KR	313.2170	262.0418	2.786860

Source: processing data

Multicollinearity test results in table 6 show that the Centered VIF value of all variables is smaller than 10 ($VIF < 10$), meaning that there is no multicollinearity. Furthermore, the heteroscedasticity test is carried out to see the presence or absence of similarity between the variants of the error of each independent variable.

Uji Heteroskedastisitas

The presence or absence of heteroscedasticity in the linear regression model is by looking at the value on the White Test, where the test is if the probability value of Observation R-Squared > 5%, then the alternative hypothesis of heteroscedasticity in the model is rejected.

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Table 7. Heteroscedasticity Test Results

Heteroskedasticity Test: White

Null hypothesis: Homoskedasticity

F-statistic	0.184255	Prob. F(4,5)	0.9368
Obs*R-squared	1.284671	Prob. Chi-Square(4)	0.8640
Scaled explained SS	0.524551	Prob. Chi-Square(4)	0.9711

Test Equation:

Dependent Variable: RESID^2

Method: Least Squares

Date: 10/01/22 Time: 16:22

Sample: 2012 2021

Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-1.06E+09	4.53E+09	-0.233374	0.8247
HKI^2	1.602152	7.470249	0.214471	0.8387
HKD^2	-12.20150	25.47625	-0.478936	0.6522
PKI^2	-0.000704	0.002233	-0.315339	0.7652
KR^2	18.73123	41.35991	0.452884	0.6696

R-squared	0.128467	Mean dependent var	1.05E+09
Adjusted R-squared	-0.568759	S.D. dependent var	2.00E+09
S.E. of regression	2.51E+09	Akaike info criterion	46.42800
Sum squared resid	3.14E+19	Schwarz criterion	46.57929
Log likelihood	-227.1400	Hannan-Quinn criter.	46.26203
F-statistic	0.184255	Durbin-Watson stat	2.377275
Prob(F-statistic)	0.936844		

Source : processing data

Based on the white test, it is obtained that the p value value which is addressed by the prob.Chi Square (4) value on Obs * R-squared is 0.8640. Therefore, the p value of 0.8640 > 0.15 indicates that heteroscedasticity does not occur, meaning that the classical assumption requirements for multiple linear regression models between Indonesian coffee export demand (PEK) on domestic coffee prices (HKD), international coffee prices (HDI), Indonesian coffee production (PK) and exchange rates (Kr) do not occur heteroscedastistas.

Autocorrelation Test

The autocorrelation test aims to test whether in a linear regression model there is a correlation between usage errors in period t and errors in period t-1 (previous). To test whether a model has autocorrelation in this study, the Durbin Watson statistical test is used, namely by looking at the (D-W) value obtained.

Table 8. Autocorrelation Test Results

Breusch-Godfrey Serial Correlation LM Test:				
Null hypothesis: No serial correlation at up to 2 lags				
F-statistic	1.686677	Prob. F(2,3)	0.3229	
Obs*R-squared	5.292903	Prob. Chi-Square(2)	0.0709	
Test Equation:				
Dependent Variable: RESID				
Method: Least Squares				
Date: 10/01/22 Time: 16:22				
Sample: 2012 2021				
Included observations: 10				
Presample missing value lagged residuals set to zero.				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	122673.1	160220.5	0.765652	0.4996
HKI	11.99654	11.20921	1.070239	0.3630
HKD	-5.680076	9.404114	-0.603999	0.5885
PKI	-0.238253	0.299654	-0.795094	0.4847
KR	-10.14494	16.95809	-0.598236	0.5918
RESID(-1)	0.354855	1.473078	0.240894	0.8252
RESID(-2)	1.964677	2.214410	0.887223	0.4403
R-squared	0.529290	Mean dependent var	1.16E-10	
Adjusted R-squared	-0.412129	S.D. dependent var	34154.68	
S.E. of regression	40587.05	Akaike info criterion	24.25631	
Sum squared resid	4.94E+09	Schwarz criterion	24.46812	
Log likelihood	-114.2816	Hannan-Quinn criter.	24.02396	
F-statistic	0.562226	Durbin-Watson stat	2.887058	
Prob(F-statistic)	0.748980			

Source : Eviews 12 (diolah).

The test results obtained a Durbin Watson value of 2.887058, meaning that the model used is free from autocorrelation problems. Based on testing with the Breusch-Godfrey Serial

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Correlation LM test, the multiple linear regression model between Indonesian coffee export demand on domestic coffee prices, international coffee prices, Indonesian coffee production and exchange rates does not occur autocorrelation.

CONCLUSION

Based on the results of the research and discussion described above, the following conclusions can be drawn:

Domestic coffee price has no significant effect on Indonesian coffee export demand, where the probability of domestic coffee price variable is greater than α level ($0.4875 > 0.1$). International Coffee Prices have a significant effect on Indonesia's coffee export demand, where the international coffee price variable is known to have a t-count value of $2.5855 > t$ -table 1.94318 and the probability of the international coffee price variable is smaller than α ($0.0491 < 0.1$), which means that there is a significant influence between the international coffee price variable on Indonesia's coffee export demand. Indonesian coffee production has a significant effect on Indonesia's coffee export demand, where the Indonesian coffee production variable is known to have a t-count value of $2.1735 > t$ -table 1.94318 and the probability of the international coffee price variable is smaller than α ($0.0818 < 0.1$), which means that there is a significant influence between the Indonesian coffee production variable and Indonesia's coffee export demand. The exchange rate has a significant effect on the demand for Indonesian coffee exports, where the Indonesian coffee production variable is known to have a t-count value of $3.2082 > t$ -table 1.94318 and the probability of the exchange rate variable is smaller than α ($0.0238 < 0.1$), which means that there is a significant influence between the exchange rate variable on the demand for Indonesian coffee exports. The R^2 value of 0.959656 means that together domestic coffee prices, international coffee prices, Indonesian coffee production and exchange rates affect coffee export demand in Indonesia by 95.96% .

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