**CASH CROP CHOICE OF RURAL HOUSEHOLDS IN INDONESIA:**

**IMPLICATION TO THE FOOD SECURITY**

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**Abstract**

Increasing concerned of food security has put agricultural transformation as strategy for economic transformation and poverty alleviation. This paper thus explores the main interaction between the transformations of agriculture on cash crops choice toward food security of rural households in Indonesia. Focusing on cocoa cultivated we examined to what extend the cash crops can be viewed as potential venue to improve food security and welfare of the households. Principal component analysis (PCA) and Econometric analysis applied to measure food security of the households, as well as factors influence this situation. Food security measured based on the index over components of availability, accessibility and stability of food where the principal component analysis used to generate index across the components. Econometric model used to identify factor determinants food security and the effects of cash cropping to the food security of the households over time. Results based on panel data household survey collected in 2001, 2004, 2006, and 2013 implemented in the rain forest margin Central Sulawesi, Indonesia. The finding shows that cash crop choice enhance food security of the household. Cash crop choice on cocoa cultivated is important factor to ensuring food security of the household as well as access to credit and the livestock holding to bear the risk of food production and income losses. The result implies mitigation of dependency risk from the household size and dependency ratio, and the trade-off effects of maximum education, that threatening food security of the households. The result also suggested improvement on infrastructure and market well integrated for the cash crops developments, as well as non-farm engagement opportunities to overcome the risk to fall in food insecure condition.

*Keywords: Cash Crop Choice, Cocoa, Food security, Indonesia*