



Mother's Panic Buying Against Cooking Oil Scarcity in Palangka Raya

R. D. A. Gusti Astrid¹ (✉), Suryanto², and Dyan Evita Santi¹

¹ Universitas 17 Agustus, Surabaya, Indonesia
1532100031@untag-sby.ac.id

² Universitas Airlangga, Surabaya, Indonesia
suryanto.psikologi@unair.ac.id

Abstract. The purpose of this study is to describe the phenomenon of panic buying about the scarcity of cooking oil in Indonesia, especially in the Palangka Raya city. Cooking oil for the Indonesian people is one of the basic needs or is one of the basic necessities (nine basic ingredients) according to the decree of the Minister of Industry and Trade. In everyday life, cooking oil is consumed by almost all Indonesian people, both in urban and rural areas. The research method used is qualitative research methods, according to Sugiyono. Qualitative research methods are research used to investigate, describe, explain, find the quality or privilege of social influences that cannot be explained, measured or described through a quantitative approach. The conclusion is that the Government has set a national cooking oil price of Rp. 14 thousand per liter some time ago. As a result of this low price drop, many minimarkets experienced long queues and were damaged by customers scrambling to buy cooking oil. This is known as panic buying or the fear of something by buying something excessively. As a result, cooking oil is again scarce in the market. So in terms of consumer behavior, panic buying is not triggered by scarcity, but because the public perceives that there is no clear guarantee of the availability of the goods they need. This condition of uncertainty then creates feelings of being threatened and insecure. Suggestions that can be given It is hoped that producers will immediately accelerate the distribution of cooking oil and ensure that there are no stock vacancies at the level of traders and retailers. With this policy, the price of cooking oil can become more stable and affordable for the community, as well as remain profitable for traders, distributors and producers.

Keywords: Panic Buying · Cooking Oil Scarcity

1 Introduction

The scarcity of cooking oil in Indonesia is still happening, its availability in various stalls to department stores is still difficult to find. Airlangga University (Unair) economist Rossanto Dwi Handoyo SE MSi PhD said that the scarcity of cooking oil in the market cannot be separated from the supply and demand mechanism. "Cooking oil is one of the important commodities in Indonesia. Based on the Indonesian Consumer Price Index

© The Author(s) 2023

I. Hidayati et al. (Eds.): ICOPHI 2022, AHSR 66, pp. 112–118, 2023.

https://doi.org/10.2991/978-94-6463-212-5_12

(CPI), cooking oil has a large contribution. This is because cooking oil is one of the goods that people consume every day. The weight of inflation is also quite high," said Rossanto quoted from the official Unair website. Read detikedu's article, "What Causes the Scarcity of Cooking Oil in Indonesia? This Unair Expert Says".

Cooking oil for the Indonesian people is one of the basic needs or is one of the basic necessities (nine basic ingredients) according to the decree of the Minister of Industry and Trade. In everyday life, cooking oil is consumed by almost all Indonesian people, both in urban and rural areas (Amang, 1996: 37). Cooking oil is used for cooking such as: sauteing, frying in small or large quantities. Because cooking oil can provide a delicious aroma, a more delicious, savory taste, make food crispy or crispy, and a more attractive appearance giving a golden and brownish color than steamed, boiled or baked food.

The Indonesian Consumers Foundation (YLKI) stated that the release of subsidized cooking oil at Rp. 14,000 per liter should be followed by a policy of limiting purchases, in line with the rampant wholesale action or panic buying by consumers. The stock of packaged cooking oil in modern retail has been observed to decrease drastically since the government implemented a one-price policy on January 19, 2022. "Panic buying by consumers is a form of government marketing strategy error in making public policies. This is also the government's failure to read consumer behavior," so that behavior occurs panic buying which is an anomalous phenomenon and reflects the selfish attitude of the end user. The stock of one price oil is getting depleted. The government should limit purchases, for example, consumers are only allowed to buy one pack or one liter," he said. Tulus also estimates that government intervention in oil prices will not be effective because it does not target the main problem. YLKI suspects that there is a cartel practice in setting the price of cooking oil in the domestic market. YLKI then urged the government to regulate the domestic market obligation (DMO) and the CPO price benchmark for domestic needs. As the largest palm oil producing country, Indonesia should have the ability to regulate this.

The government through the Ministry of Trade determines the highest retail price (HET) of cooking oil is set in three categories, namely: Rp. 11,500/liter for bulk cooking oil, simple packaging of Rp. 13,500/liter, and premium packaging of Rp. 14,000/liter. This policy is effective from February 1, 2022 in modern retail and traditional markets. The policy issued by the Ministry of Trade is actually a solution to the skyrocketing cooking oil prices since Christmas 2021 and the new year 2022. Initially, the government only imposed a one-price cooking oil policy at modern retail with a HET of Rp. 14,000 per liter. However, in reality, the stock of cooking oil is empty in the market.

The government ensures that the stock of cooking oil exceeds the average national demand. The scarcity of cooking oil in the market that has occurred recently is allegedly due to irregularities in the distribution flow.

This was conveyed by the Director General of Domestic Trade, Oke Nurwan during a visit to Central Java, Wednesday (23/2/2022). His party is currently conducting field monitoring to ensure the flow of cooking oil distribution runs smoothly. "The problem is distribution. The government since February 4 until now has poured more than 100 million liters, and distributed all over the place. Now the term is the dam is full, only the irrigation flow. So, we went down to repair the irrigation network," he said.

He added that the field monitoring not only ensures smooth distribution of cooking oil to the public, but also sells it at the highest price set by the government. His party will take firm action against distributors who deviate, so that it has an impact on the scarcity of cooking oil. "The government will take firm action against (distributors) who cause distortion in distribution. If it is still distorted, (his party) will cut the distribution channel directly to the merchant channel," said Oke. According to him, the cooking oil distribution scheme should be in accordance with the existing flow. Namely starting from producers to distributors, then sub-distributors, agents, suppliers, to consumers. "Well, there is this flow that tries to take economic value, so that the highest retail price does not reach the public. We clean up.

It is said, the average national demand for cooking oil is around 11 million liters per month. However, the government has doubled production to 20 million liters. This means that the stock of cooking oil can be said to be abundant. "There should be a flood, the average need is 11 million per month nationally, now it is doubled to 20 million liters until the dam is full. But how come it doesn't flow, how come it feels rare. Actually, it's not a rare item, what's rare is an affordable price. Someone is playing with the price. We will take strict action," he added.

Meanwhile, the Head of the Central Java Province Disperindag, Arif Sambodo, added that his party had also carried out market operations related to the issue of cooking oil scarcity. "According to what the Director General said, the stock of cooking oil is safe. Only, there is a problem in the distribution. For that, we will check the field," he said. In addition, his party will also conduct an audience with distributors in Central Java. "Incidentally, the Director General has been working here for two days, so we can jointly check on the field. We also have an audience with distributors," he said.

Fluctuations in the price of basic necessities have always been a sensitive issue that could tarnish the credibility of the government. So, the duration of the shortage of cooking oil and the current high price of soybeans should not drag on. The government needs to take all legal means to solve this problem. Because, entering the second week of February 2022, the scarcity of cooking oil and the high price of soybeans have lasted for more than a month. In fact, the root of the problem or the cause of the scarcity and high price of cooking oil is already known. Likewise with the background that is the driving factor for the increase in soybean prices. The increase in cooking oil prices has even been estimated since last year, following the increase in CPO prices in the global market. However, in the absence of anticipatory measures or policies, the scarcity and rising prices must be borne by the community as consumers. Meanwhile, soybean price spikes occur due to reduced supply to the domestic market. Soybean supply is reduced because the volume of production in producing countries decreases. In the case of soybeans, Indonesia's dependence on imported products is unavoidable. This trend occurs because domestic production continues to decline and cannot meet public demand. At the beginning of February 2022, soybean prices in the global market were around Rp. 11,240 per kilogram. Of the total demand of nearly three million tons, the total domestic production was only able to supply less than 10 percent. The rest, inevitably imported from the United States and several other producing countries. Thus, when soybean production in some producing countries declines, Indonesia must find a way out by approaching other producing countries.

The scarcity of cooking oil and bulk oil is currently one of the concerns of the community, especially for the people of Garut Regency. This is a concern of the government, especially in the Department of Industry and Trade, Energy and Mineral Resources (Disperindag and ESDM) Garut Regency.

Head of the Garut Regency Disperindag and ESDM Nia Gania Karyana said, based on the results of coordination and work meetings from the Ministry of Trade (Kemendag) of the Republic of Indonesia (RI), it was informed that starting tomorrow, Tuesday (22/2/2022) the Ministry of Trade would supply bulk oil at a price of Rp. 11500. In this regard, Gania stated that her party will take several steps first, one of which is to collect data on traders in Garut Regency markets, so that there will be no chaos. In addition, his party will also coordinate with suppliers/suppliers of bulk oil in Garut Regency, so that previous bulk oil suppliers are not disturbed. "Then we need to say that in fact the supplier of bulk oil has given importance to business actors, even though they sell at high prices with very heavy risks," he said, Monday (21/2/2022). He hopes that the steps that have been instructed through the Ministry of Trade of the Republic of Indonesia can be implemented immediately, given the scarce supply of bulk oil and cooking oil. "Because if there are too many steps, it will cause chaos in the market," he said.

Regarding cooking oil supplies, Gania said, the Indonesian Ministry of Trade through the Indonesian Employers Association (APINDO) has instructed to accelerate the distribution of cooking oil from large suppliers through supermarkets to the sub-district level. He also understands that it is natural that there are still queues of buyers of cooking oil at each supermarket, because the supply of cooking oil at each supermarket is carried out in rotation.

The chairman of the Palangka Raya Chamber of Commerce and Industry, Farhan Slamet, urged related parties to supervise the sale and purchase of cooking oil, because the current situation is scarcity everywhere.

According to Farhan, there is a strong suspicion that the wealthy and businessmen with large capital will panic, resulting in wholesale buying of cooking oil at basic food shops and modern mini markets.

In addition, there are a number of unscrupulous traders who deliberately wait for high prices to be sold to the public, making the scarcity of cooking oil even more unavoidable. "We recommend that the food task force and the Industry and Trade Agency, together with the joint apparatus, intensively carry out inspections to a number of markets, to directly check how much stock is in the warehouses of the distributors, and ask the well-to-do community and culinary actors to understand together that those who need cooking oil is the whole community, so it is advisable not to do wholesale actions," he said. Friday (11/3/22).

Meanwhile, when it was confirmed, the Head of Disperindag Palangka Raya Hadri-ansyah revealed that the price of cooking oil varies and tends to be expensive, because the distribution process from the distributor is not one-handed, but through several distributors, if directly from the distributor, the price of cooking oil is around Rp. 14 up to 15 thousand according to the highest retail price determined by the central government. "In the near future, the operation of low-cost cooking oil will be held, namely in the Bukit Batu District, including the suburbs, as a solution to overcome the oil scarcity and unstable prices in a number of markets. It is hoped that people will not panic about the

scarcity of cooking oil, because of the price stability process. Still being pursued by the local government through the Palangka Raya Disperindag,” he said.

There is also a shortage of cooking oil in Palangka Raya. KBRN, Palangka Raya: The government’s policy of setting the Highest Retail Price (HET) for cooking oil is not yet ready to be accepted by some regions. Communities in almost all areas in Central Kalimantan even have difficulty getting cooking oil.

West Kotawaringin Regent, Nurhidayah, said the market operation carried out by one of the entrepreneurs who are members of the Citra Borneo Indah (CBI) Group is enough to help the people in Kobar and Central Kalimantan in general to get cooking oil. “It’s a shame that we are the number one producer of CPO at the national level, if people everywhere are having a hard time finding this cooking oil. One of the solutions is at least the government conducts raids on distributors so that they take immediate steps. This cooking oil must be there, it’s impossible not to exist. Because there seems to be a bit of a lack of connection in the field,” he said during the Regent’s Dialogue, Monday (14/3/2022).

Regent Nurhidayah said that as the location of the Kobar palm oil processing factory, until now it does not yet have packaging and branding facilities. For this reason, it is hoped that the downstream process of CPO derivative products in Kobar can be realized soon with the construction of processing factories to packaging. Nurhidayah said West Kotawaringin was chosen to be one of 9 national strategic industrial areas developed outside Java based on the National Medium-Term Development Plan (RPJMN).

Based on the data above, the authors conducted observations and interviews with 5 housewives who experienced the impact of the scarcity of cooking oil in the Palangka Raya area.

2 Method

This research method uses the cross sectional method with data collection using qualitative methods, through accidental sampling technique obtained by research respondents as many as 5 people who are in the city of Palangka Raya who are queuing to buy cooking oil.

3 Results and Discussion

From the results of interviews, 5 mothers were very complaining about the difficulty of getting cooking oil, even one mother named Widya’s mother when I interviewed her how the steps that you took to deal with this condition, she said “I queue up for cooking oil almost every day, in one day I can queue 3–4 times, because cooking oil is very difficult so I have to stock up a lot to meet their daily needs”. “I’ve tried to find cooking oil in several supermarkets and the stock of cooking oil in those supermarkets has run out, whereas if we buy it at a regular shop, the price is exorbitant, very high. I don’t know why this happened, it is very difficult for the community, “concluded Dessy’s mother. Dewi also agreed, when asked why she was willing to stand in long lines to buy cooking oil “because it is difficult for us to get cooking oil, when we get it we are limited to only buying 1 L/person, So I can queue 2–3 times a day to get a lot of cooking

oil.” According to Mrs. Rara, “many people are willing to queue many times or go to supermarkets in order to get more cooking oil than they can buy, because we use cooking oil in cooking every day, so cooking oil is a basic need”. Mrs. Paula said, “I have been to several supermarkets in Palangka Raya but they are all out of stock, so I can’t help but queue at this supermarket”. so cooking oil is a basic need.” Mrs. Paula said, “I have been to several supermarkets in Palangka Raya but they are all out of stock, so I can’t help but queue at this supermarket”. so cooking oil is a basic need.” Mrs. Paula said, “I have been to several supermarkets in Palangka Raya but they are all out of stock, so I can’t help but queue at this supermarket”.

The scarcity of cooking oil since the beginning of 2022 makes it difficult for many people to get it. Though cooking oil is one of the basic needs of the community.

As of January 19, 2022, at 00.01 local time, the Minister of Trade has implemented a policy of one price of packaged cooking oil, which is Rp. 14,000.00/liter. However, this policy is considered not yet fully effective in the market considering that traders in traditional markets and small stalls have not received clear information about the mechanism for replacing subsidies. This causes prices outside the average retail to still apply according to the wholesale value, thus causing some people to experience panic buying. As a replacement, as of February 1, 2022, the Minister of Trade Regulation No. 6 of 2022 concerning the Highest Retail Price (HET) for Palm Cooking Oil has been enacted, where for bulk cooking oil a HET of Rp11,500/liter is applied, simple packaged cooking oil of Rp13,500/liter, and premium packaged cooking oil Rp 14,000/liter.

It is hoped that this HET policy will be more effective in maintaining the stability of affordable palm cooking oil prices in the community, with relatively clearer pricing and profit margins at the level of producers, distributors, agents and traders/retailers, so that it reaches consumers with a maximum value of the HET.

4 Conclusions

The government has set a national cooking oil price of Rp. 14 thousand per liter some time ago. As a result of this low price drop, many minimarkets experienced long queues and were damaged by customers scrambling to buy cooking oil. This is known as panic buying or the fear of something by buying something excessively.

As a result, cooking oil is again scarce in the market. So in terms of consumer behavior, panic buying is not triggered by scarcity, but because the public perceives that there is no clear guarantee of the availability of the goods they need. This condition of uncertainty then creates feelings of being threatened and insecure.

Acknowledgements. Would like to thank Prof. Suryanto for his comments and suggestions regarding this research. We also would like to thank Dr. Dyan Evita Sari for fruitful discussions as well as her support and encouragement.

Bibliography

1. <https://www.detik.com/edu/detikpedia/d-5960367/apa-pengebab-kelangkaan-minyak-goreng-di-indonesia-ini-kata-pakar-unair>.
2. <https://tirto.id/goHX>
3. <https://jatengprov.go.id/publik/stok-mempah-kelangkaan-minyak-goreng-disignedly-due-problem-distributing/>
4. <https://news.detik.com/kolom/d-5941688/kelangkaan-minyak-goreng-dan-kedelai-jangan-berlur-sol>
5. <https://jabarprov.go.id/index.php/news/45857/2022/02/21/Atasi-Kelangkaan-Oil-Goreng-Goreng-Segera-Suplai-Oil-Curah-with-harga-Rp11500>
6. https://rri.co.id/palangkaraya/economy/1388008/bupati-kobar-response-karena-kelangkaan-minyak-goreng?utm_source=news_main&utm_medium=internal_link&utm_campaign=General%20Campaign
7. https://rri.co.id/palangkaraya/area/1384861/aksi-borong-oil-goreng-mendapat-kecamatan-kadin-palangka-raya?utm_source=news_main&utm_medium=internal_link&utm_campaign=General%20Campaign
8. Kimia Farma boss: We make sure the mask price is IDR 2,000/pcs!”, March 4, 2020, [cnbcindonesia.com/market/20200304162956-17-142512/boss-kimia-farma-kami-pastikan-price-maskerrp-2000-pcs](https://www.cnbcindonesia.com/market/20200304162956-17-142512/boss-kimia-farma-kami-pastikan-price-maskerrp-2000-pcs), accessed March 5, 2020
9. Arafat, SY, Kar, SK, Marthoenis, M., Sharma, P., Apu, EH, & Kabir, R. (2020). Psychological underpinning of panic buying during the pandemic (COVID-19). *Psychiatry Research*.

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter’s Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter’s Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

