



Analysis Of The Impact Of Cooking Oil Price Fluctuations On Angkringan Business Actors In Suradita Village, Cisauk District, Tangerang

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Abstract: Changes in the price of cooking oil in Indonesia will cause the prices of other staple foods to rise. This research was conducted to analyze how big the impact of changes in cooking oil prices is on the production and sales activities of UMKM players. The target of UMKM in this study are UMKM of angkringan traders in the Suradita area. The method used in this research is a qualitative method in which researchers conduct direct observations and interviews with UMKM angkringan managers to obtain data and describe the impact of changes in the price of cooking oil that often occur in Indonesia. The dependence of angkringan managers on cooking oil makes them have to think of a strategy or method of selling if there is an increase in cooking oil prices, so that customers do not leave and still benefit from the sales. From the results of the research, it was found that several problems occurred from the perpetrators of these angkringan UMKM due to the increase and fluctuation in the price of cooking oil.

Keywords: UMKM, Angkringan, Cooking Oil, The Effect of Changes in Cooking Oil Prices

INTRODUCTION

Humans as living beings really need basic foodstuffs to sustain life and daily activities. The need for food is not only to fulfill physical needs, but also as a fulfillment of spiritual needs. The need for staple foods must be able to meet the nutritional adequacy normally needed by the human body (Sarmila, 2020). However, in fulfilling this food, the Indonesian people are expected to face various obstacles and problems. Starting from economic problems, food availability problems, and others. One of the main problems is the fluctuation or change in cooking oil prices on the market. Cooking oil itself is one of the important production commodities for the people of Indonesia. Because most of the processed foods in Indonesia use cooking oil as a raw material.

Indonesia is the world's largest palm oil exporter. However, the latest challenge facing the Indonesian government is the scarcity of cooking oil on the market and the rising price of cooking oil. Several policies have been implemented by the government. One of them is

setting the highest retail price for cooking oil. This policy has exacerbated the scarcity of cooking oil in the market because many distributors are maintaining their supply of cooking oil. The Indonesian government's latest policy to manage the cooking oil problem is to provide subsidies for bulk cooking oil and repeal the highest retail price rule for packaged cooking oil.

Since early October 2021, the price of cooking oil in Indonesia has experienced a significant increase. Based on data from the National Strategic Food Price Information Center at Katadata.id, the price of cooking oil on 7 October 2021 has reached IDR. 15,550,- per kilogram. What's even sadder is that the price of cooking oil in early January 2022 continued to soar until it reached IDR 18,550 per kilogram. The price of branded packaged cooking oil also reaches a higher price, namely IDR. 21,150,- per kilogram. (Andriessa, 2022)

The high demand and decreased supply of cooking oil resulted in scarcity and rising prices of cooking oil in most areas in Indonesia. Meanwhile, cooking oil is one of the people's most needed commodities to meet their food needs. Therefore, the scarcity of cooking oil is very troubling for the people of Indonesia, especially for the lower middle class. People are starting to ask questions about the causes of rising prices and scarcity of cooking oil on the market. (Andriessa, 2022)

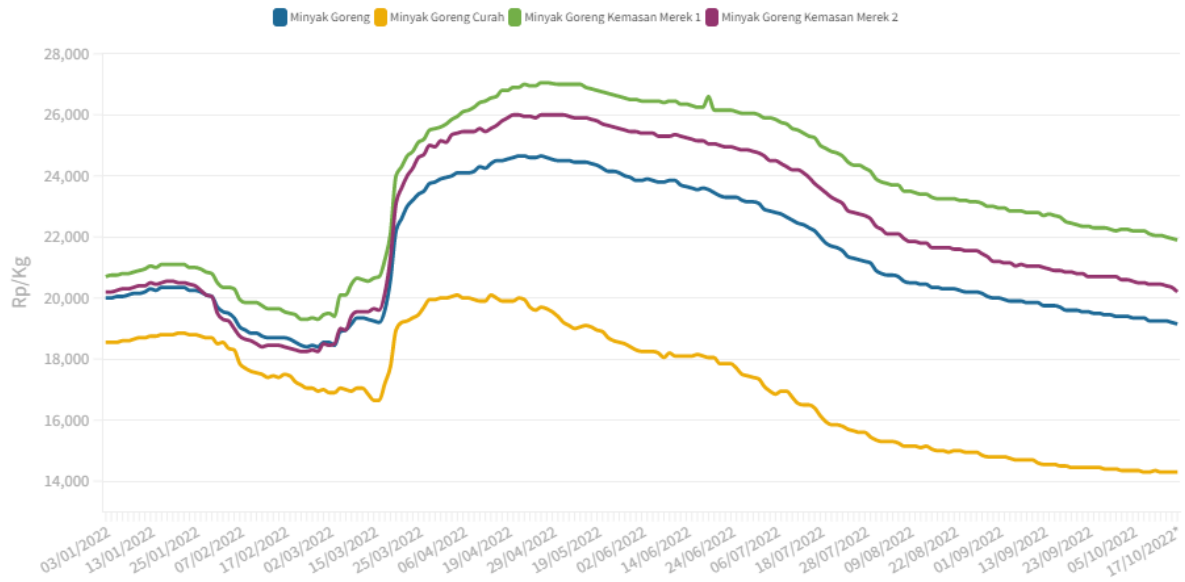
In the case of scarcity of cooking oil, the government faces a dilemma between the market and the people. This issue is motivated by the increase in the price of palm oil in the world. Packaged cooking oil rarely occurs when the Highest Retail Price (HET) scheme is applied, but when following market prices, social and political problems arise in society. In addition, there is also the issue of the government's impartiality towards the people and the emergence of an alliance cooking oil cartel between two or more parties that take advantage of the sale of cooking oil. (Maudisha, 2022)

Food commodities in Indonesia that often experience fluctuations or price changes include cooking oil, rice, soybeans, corn, granulated sugar, wheat flour, shallots, soybeans, eggs, chilies, milk and meat (Pusriadi, 2018). Fluctuations in food prices are one of the main causes of the inflation rate due to insufficient supply from food providers due to the high demand for the large population in Indonesia (Rahayu, 2022). Recently, food commodities have become a public concern, namely the increase in cooking oil prices. As we know, cooking oil is very important in meeting daily needs, because cooking oil is one of the main food ingredients for most Indonesian people at all levels (Nasution, 2021).

Changes in the price of cooking oil always occur in Indonesia. The most significant increase occurred in mid-March 2022. The highest retail price touched above 26,000 per litre. This price increase occurred due to rising CPO prices in the world, so that cooking oil producing companies prefer to sell CPO raw materials abroad. This causes a scarcity of cooking oil products in the country. But the reality in society after the price reduction that occurred is the availability of cooking oil in retail stores, traditional markets and even in supermarkets is becoming scarce. This condition has affected the activities of Usaha Mikro Kecil Menengah or Small and Medium Enterprises called UMKM in which the production process uses cooking oil. The rise in the price of cooking oil makes Micro, UMKM players feel at a loss, how can the increase in the price of cooking oil be unstoppable, thus affecting sales results. In addition to dwindling profits, people's purchasing power has not grown as a result of the Covid-19 pandemic (Gea, 2022). For now (November 2022) the price of cooking oil has returned to normal even though it is higher than the usual HET.

These are the highest retail prices/HET for cooking oil in November 2022 published by the National Strategic Food Price Information Center (PIHPS):

1. The price of bulk cooking oil is IDR14,950/kg
2. The price of packaged cooking oil is IDR20,050/kg
3. The price of premium packaged cooking oil is IDR21,400/kg as shown below:



Source : Data Search 2022

Figure1. The highest retail prices/HET for cooking oil in November 2022

The urgency of stabilizing cooking oil prices is based on the fact that Indonesia is the largest palm oil producer in the world. This has become a scourge in society, the cause and effect of the increase in cooking oil prices not only affects sales results and people's purchasing power, but also the soaring prices of other food commodities.

Angkringan is a business that was originally famous from the Java area. The term angkringan itself comes from the Javanese language angkring which means a tool or place to sell food with a curved design. Angkringan businesses usually open their businesses on the side of the road selling various kinds of drinks and food. Most angkringan are found in Yogyakarta, East Java and Central Java. In Klaten and Solo, angkringan are better known as wedhangan or hik ("village specialties") stalls. Angkringan usually uses a cart with a capacity of around 8 customers and is covered with a tarpaulin. But usually there are also angkringan sellers who provide mats or carpets for customers who want to sit cross-legged.

Foods that are usually sold in angkringan include ginger tea, cat rice, various fried foods, various skewers, coffee, and others. Everything is sold at very affordable prices. Even though the price is cheap, the consumers of this warung are very varied. From the bottom to the top. This happens because of the familiarity between buyers and sellers who are often seen chatting casually in a family atmosphere.

Angkringan is also known as an egalitarian place because many customers come without discriminating against social strata or SARA. They enjoy their food while chatting freely until late at night even though they don't know each other about various things or sometimes talk about serious topics. The price is cheap and the place is relaxing, making angkringan very popular in the middle of the city as a stopover to drive away hunger or just unwind. (Samosir, 2022).

The results of observations in the field, the increase in cooking oil among UMKM actors, for example, angkringan traders, is very troubling. Some of them chose to increase the selling price but the quantity of production decreased due to the decrease in people's buying interest so that the profit they got also decreased. However, it is also not uncommon for some UMKM players to choose to postpone production until cooking oil prices return to normal. Despite arguing that the government plans to return the price of cooking oil back to its original price. So as a result, some of them chose to postpone production and had absolutely no income because they felt unable to fulfill some of these basic needs, apart from being influenced by the availability of materials, they were also influenced by the price factor, which is related to people's purchasing power. So when the basic needs rise high enough, then automatically some people will complain because to meet these basic needs it

will suck up other needs from the budget. Therefore, in responding to rising cooking oil prices, people are often forced to make breakthroughs in order to continue to meet these needs.

Based on some of the problems mentioned above, it can be concluded that the problem in this study is the fluctuating increase in cooking oil prices. The main objective of this research is to analyze and find out the production patterns of UMKM players in increasing their income amidst soaring prices of staples due to rising cooking oil prices.

METHODS

The research method used is qualitative research, which is research that involves analysis and interpretation of texts and interviews and observations to find patterns that are descriptive of a particular phenomenon (Sugiyono, 2016). The purpose of qualitative research is to analyze data to produce theory. Because the theory is generated from the data itself, the resulting theory is called grounded theory, because the theory is based on data. (Sugiyono, 2016)

The data collected in this study is primary data which was collected and processed by the researchers themselves by conducting interviews and observing the Angkringan UMKM who usually sell in the Suradita area, Cisauk District. Secondary secondary data is also collected from data indirectly obtained from researchers using library research.

The purpose of this data collection is to describe the object being studied in accordance with the actual situation in the field. The observation stage involves going into the field for related UMKM actors. The Angkringan UMKM that became the sample was Angkringan Ayesha who sells in the Suradita area, Cisauk District, Tangerang Regency.

The next stage is interviews related to the impact of rising cooking oil prices, production patterns before and after, and the impact on income. Furthermore, the data obtained was then processed in a good narrative form in writing, because some of the informants used local languages so that it needed to be processed and presented according to conditions in the field.

RESULT AND DISCUSSION

Location Identification

The UMKM that are the target of the data source are the angkringan UMKM in the Suradita area. There are a total of 3 angkringan traders in the Suradita area. And the source of the data is Angkringan Ayesha who sells in the shop complex near the entrance to Perumnas Suradita. This area is included in the administration of the village of Suradita, Cisauk District, Tangerang Regency.

From the researchers' observations, the location where Ayesha Angkringan trades is quite strategic, because it is in one of the crowded centers in the Suradita area. The area provides quite a lot of culinary stalls that can be an option for people who are looking for culinary options. However, the angkringan stalls are less popular among Jabodetabek people, especially the local people. The level of popularity is not as popular as in Java because there are still many people who do not know what an angkringan stall is.

Taking a closer look at the people there who are fond of fried food, this is a potential for those who want to do business as an object of research as a family economic business. Fried food is synonymous with cooking oil which is used as a frying ingredient. There are dozens of fried food traders in Gading District, but with the regulation on the increase in cooking oil prices, the traders are starting to decrease.

The effect of rising cooking oil prices on a micro, small and medium enterprices began to diminish. The influence is more towards the negative because it is related to the public's outreach to the purchasing power of cooking oil. Businesses that are running will experience a different situation than before, so they will develop a sales strategy by changing production patterns. Changes made can certainly increase revenue and meet sales goals in a business.

UMKM Identification

The UMKM are productive businesses owned by individuals or business entities that have fulfilled the status of micro businesses. This is stated in the Law of the Republic of Indonesia No. 20 of 2008 concerning UMKM. In the law it is stated that UMKM are in accordance with the type of business, namely micro, small and medium enterprises.

In this study, the intended UMKM is a business whose production process uses ingredients such as cooking oil. So that the increase in cooking oil has an impact and is a concern for the community towards household needs, especially fried snack sellers. This research focuses on angkringan traders such as sellers of fried foods, egg bowls and crispy tofu. Therefore, the increase in cooking oil prices has a very big influence on angkringan traders.

UMKM Potention

The potential of MSMEs according to Law No. 20 of 2008 is to realize economic growth, equity and increase people's income, job creation and poverty alleviation. The increase in cooking oil affects the sustainability of a business that always uses it. Therefore, these small businesses require more effort or even greater capital to allocate costs for cooking oil. Thus, there are several complaints from angkringan traders to reduce costs taken from capital and income.

The findings in the field are very varied, it can be concluded with several opinions according to the average trader. First, traders switch to bulk cooking oil. Second, retain customers by continuing to sell even though income is reduced. Third, survive by increasing the price of merchandise without reducing quality. Fourth, customers began to decrease as prices were raised. Fifth, traders survive because their expertise is only in fried foods. Sixth, when selling, always move around so that the goods are sold out. These findings are of course clear that the effect of this increase is very large on MSMEs, especially small traders. The existence of angkringan traders really helps the needs of the community, therefore it needs to be the concern of the local government. Traders have high hopes for the results of their efforts to meet family needs.

Impact of Increase in Cooking Oil Prices

Cooking oil for the Indonesian people is one of the Sembako (nine staples) in accordance with 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). Cooking oil is used to cook food that is stir-fried, fried in small or large quantities and so on. Cooking oil can give a golden and brownish color compared to steamed or boiled food, because it looks more attractive with a more pleasant aroma, a more delicious and savory taste. (Nasution, 2021)

Price is one of the most important factors in determining the condition of the economy. If the price of goods on the market rises too much, it can result in low public interest in these goods. Conversely, if the item is sold too cheaply, the seller's profit will decrease. Pricing by sellers or traders affects the revenue generated and can result in losses even if the pricing decision is not properly considered.

In the current situation, many traders complain because they cannot stock up on cooking oil when the price has not yet risen. The increase in material prices is indeed felt by the lower middle class, while the upper middle class does not really feel it because they can still afford it. This price increase causes the poverty rate in Indonesia to increase. However, the government seems not ready to predict this phenomenon. So, this keeps happening over and over again.

The sustainability of UMKM such as angkringan traders against rising cooking oil prices will continue even though it reduces income. Especially the head of the household who only relies on this business to support or meet family needs. Rising oil prices also have an effect on rising production costs. So that businesses that use cooking oil ingredients switch to bulk cooking oil in order to survive in their business. (Ramadan, 2022)

MSME Production Patterns

The findings in the field show that the impact of the increase in cooking oil on MSME income is very large, especially the management of production costs. So that it can change

the pattern of production previously used. Changes in UMKM patterns such as angkringan traders will change their production patterns such as:

1. Understated product: This pattern occurs at a fixed price without compromising on quality
2. Prices are increased: This pattern occurs according to the materials used
3. One day selling one day off: This pattern occurs when the capital used is adjusted
4. Reduced product quality: This pattern occurs with the possibility of fixed prices
5. Reducing the amount of production: This pattern occurs when materials are used or capital is limited.

Tabel 1. Table of changes in selling prices after the increase in cooking oil prices (after 25 March 2022)

Type of meal	Before March 25, 2022	After March 25, 2022
Nasi Kucing	IDR 2.000 / pack	IDR 2.500 / pack
Sate	IDR 1.000 / pcs	IDR 1.500 / pcs
Telur Asin	IDR 3.500 / pcs	IDR 4.000 / pcs
Wedang Jahe	IDR 5.000 / portion	IDR 5.000 / pcs
Gorengan	IDR 1.000 / pcs	IDR 1.000 / pcs

Source : Data Research 2022

From the table above, it can be concluded that when there is a very high increase in the price of cooking oil, UMKM players carry out a sales strategy in order to continue to benefit, one of which is by increasing the selling price of the product to adjust to rising raw material prices on the market. But not all have to be raised. Products whose raw materials do not experience an increase, do not need to increase the selling price of these products. This is intended so that customers do not complain or cause disappointment.

In business, you have to really prioritize customers with the right marketing strategy so that customers don't run away. Many strategies can be carried out by the traders themselves and the local government. One of them is choosing the right location for target customers and the right selling price.

UMKM production pattern in this study can be concluded using a corrugated production pattern, namely the production pattern occurs where the amount of production for each unit of time shorter than one year is not always the same. This is usually influenced by sales patterns, so in other words production patterns follow sales patterns.

This production pattern is the author's opinion that this pattern will always occur as long as cooking oil has not experienced a price decline. This is done to maintain the business and even increase its income.

CONCLUSIONS

Cooking oil is one of the staple foods that people need on a daily basis and the scarcity of this commodity will have an impact on the people's unmet food and industrial needs. Communities must also be cooperative in implementing government policies and are expected to be able to measure their respective needs for the common good.

The discussion of the results of the research above shows the relationship or correlation between rising cooking oil prices and production patterns can be summarized as follows:

1. The increase in the price of cooking oil has had a very large impact on increasing the income of UMKM players;
2. The increase in the price of cooking oil has an impact on the production pattern of UMKM players so that the pattern of production and sales adjusts to market conditions; and
3. The production pattern of UMKM actors in this study uses a corrugated production pattern, namely the production pattern occurs where the amount of production for each unit of time shorter than one year is not always the same.

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