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## Background

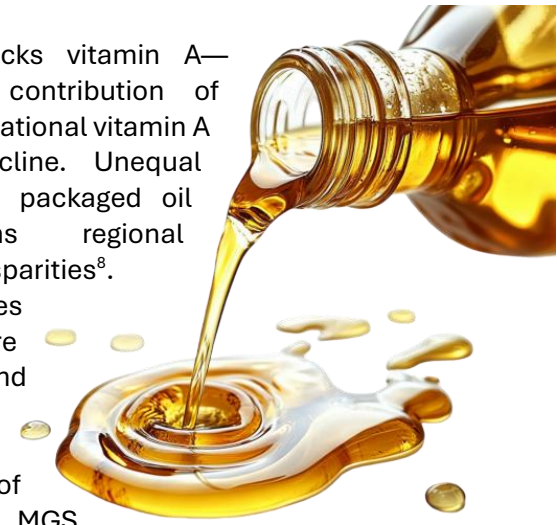
Palm Cooking Oil (MGS) is one of the most strategic food commodities in Indonesia's consumption pattern. With an annual intake of nearly 10 kg per capita<sup>1</sup> and use across almost all households<sup>2</sup>, MGS holds strong potential as a national-scale nutrition intervention. Through mandatory vitamin A fortification under SNI 7709, packaged MGS has been shown to significantly increase serum retinol levels and reduce the prevalence of vitamin A deficiency (VAD)<sup>3,4</sup>. This makes MGS not only a source of energy but also a highly effective public policy instrument for improving public nutrition<sup>5</sup>.

However, a fortification system that relies primarily on packaged oil has yet to reach the groups most in need of it. The dominance of non-fortified bulk oil limits the impact of this intervention. Nearly 70% of households—particularly low-income families and those living outside Java—still depend on bulk oil, which contains no added vitamin A<sup>6</sup>. As a result, the very populations most vulnerable to VAD receive the least benefit from the national fortification policy.

Rising prices of packaged cooking oil further exacerbate the problem. When prices increase, low-income households quickly shift to cheaper bulk

oil<sup>7</sup>—which lacks vitamin A—causing the contribution of fortified oil to national vitamin A intake to decline. Unequal distribution of packaged oil also widens regional nutritional disparities<sup>8</sup>. Without policies that ensure affordability and equitable access, more than a decade of progress in MGS fortification risks losing its impact.

For these reasons, maintaining price stability and ensuring broad access to fortified MGS is not merely a supply chain concern—it is a critical nutrition intervention. The availability and affordability of fortified cooking oil determine whether Indonesia can protect millions of children, mothers, and families from vitamin A deficiency, while simultaneously strengthening the foundation of food security and human development.



## Key Problem and Its Impact on Vitamin A Intake

### 1. Declining Consumption of Packaged Cooking Oil: A Threat to Fortification Coverage

Over the past year, household consumption of packaged cooking oil—the only oil fortified with vitamin A—has dropped sharply from 38.4% to 28.4%<sup>9</sup>. This shift indicates that most households are reverting to non-fortified bulk oil. Each decrease in packaged oil consumption translates directly into

reduced vitamin A intake, particularly among vulnerable groups. Without targeted interventions, fortification coverage will continue to shrink, placing at risk the substantial gains achieved over the past decade.

<sup>1</sup> Koalisi Fortifikasi Indonesia (KFI). (2025). Profil Konsumsi Pangan Fortifikasi Wajib dan Asupan Zat Gizi Mikro di Indonesia Berdasarkan Analisis SUSENAS 2024.

<sup>2</sup> Martianto D, M Soekarti. 2005. Possibility of Vitamin A Fortification on Cooking Oil in Indonesia: A Feasibility Analysis. Koalisi Fortifikasi Indonesia and Micronutrient Initiatives, Canada.

<sup>3</sup> Sandjaja, Sudikno, Jus`at. 2015. Konsumsi Minyak Goreng Dan Vitamin A Pada Beberapa Kelompok Umur di Dua Kabupaten. *Penelitian Gizi Dan Makanan*. 38(1): 1-10.

<sup>4</sup> Achadi E, Arifah S, Muslimatun S, Anggondowati T, Setiari A. 2010. Efektivitas Program Fortifikasi Minyak Goreng dengan Vitamin A terhadap Status Gizi Anak Sekolah di Kota Makassar. *Jurnal Kesehatan Masyarakat Nasional*. 4(6): 255-261.

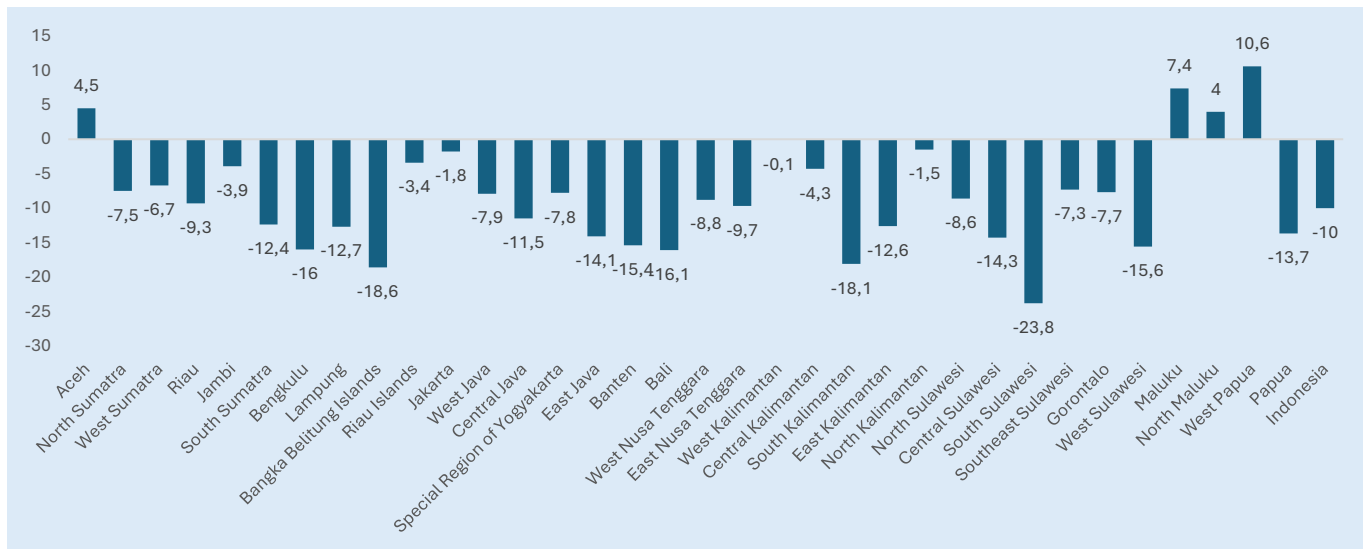
<sup>5</sup> Koalisi Fortifikasi Indonesia (KFI). (2025). *Mewujudkan fortifikasi MGS universal: Peluang, tantangan, dan strategi*. Bogor: PT Penerbit IPB Press.

<sup>6</sup> Koalisi Fortifikasi Indonesia (KFI). (2025). *Mewujudkan fortifikasi MGS universal: Peluang, tantangan, dan strategi*. Bogor: PT Penerbit IPB Press.

<sup>7</sup> Sandjaja, S., et al. (2015). Konsumsi minyak goreng dan vitamin A pada beberapa kelompok umur di dua kabupaten. *Jurnal Gizi dan Makanan*, 38(1), 1–10.

<sup>8</sup> UNICEF. (2023). *Ringkasan: Fortifikasi minyak goreng di Indonesia*. Diakses dari <https://www.unicef.org/indonesia/media/20981/file/Ringkasan%20Fortifikasi%20Minyak%20Goreng%20di%20Indonesia.pdf>

<sup>9</sup> Koalisi Fortifikasi Indonesia (KFI). (2025). Profil Konsumsi Pangan Fortifikasi Wajib dan Asupan Zat Gizi Mikro di Indonesia Berdasarkan Analisis SUSENAS 2024.



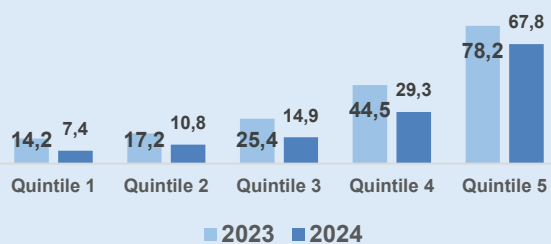
Source: SUSENAS 2023 and 2024

**Figure 1.** Change in Household Coverage of Packaged Cooking Oil Consumption (%), 2023–2024

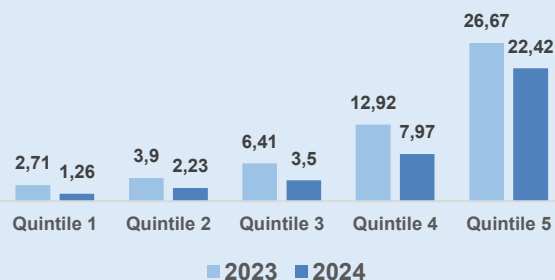
## 2. Inequitable Access Across Income Groups and Regions

The consumption gap is stark: only 7.4% of the poorest households purchase packaged, fortified cooking oil, compared with 67.8% among the wealthiest. On average, consumption among low-income households is approximately 5% of that among high-income households. A similar pattern emerges across regions—rural areas and regions

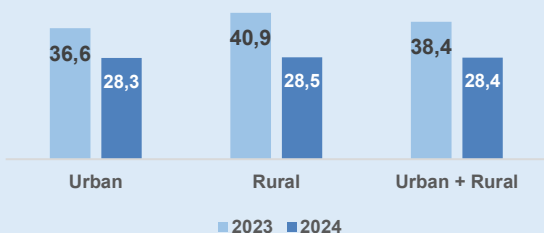
outside Java are increasingly reliant on bulk oil due to price and availability constraints. As a result, populations most vulnerable to vitamin A deficiency are receiving the least benefit from fortification. This nutritional inequity cannot be left unaddressed and must be elevated as a policy priority.



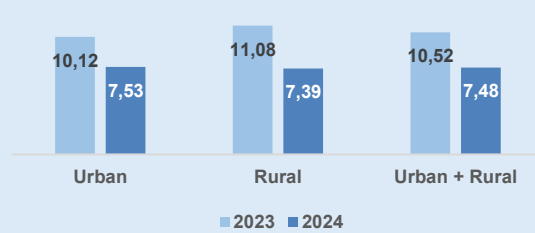
**Figure 2.** Comparison of Household Coverage of Packaged Cooking Oil Consumption (%) in 2023 and 2024 by Income Quintile



**Figure 3.** Comparison of Average Packaged Cooking Oil Consumption (g/capita/day) in 2023 and 2024 by Income Quintile



**Figure 4.** Comparison of Household Coverage of Packaged Cooking Oil Consumption (%) in 2023 and 2024 by Area of Residence



**Figure 5.** Comparison of Average Packaged Cooking Oil Consumption (g/capita/day) in 2023 and 2024 by Area of Residence

### 3. Rising Prices as a Barrier to Accessing Fortified Cooking Oil

The price of packaged cooking oil increased to IDR 21,427 per liter in 2024, with a substantial price gap compared to bulk oil; packaged oil remains 1.51 times more expensive. For low-income households, this difference is enough to encourage them to opt for cheaper, non-fortified bulk oil. If access depends

on purchasing power, fortification will not reach the communities that need it most.

Without price stabilization and equitable distribution, fortification will remain effective only for middle-income households—failing to function as a population-level nutrition policy.

Province	Price of Packaged Cooking Oil (IDR/Liter)			Price of Bulk Cooking Oil (IDR/Liter)			Price Ratio of Packaged Cooking Oil to Bulk Cooking Oil	
	2023	2024	Selisih	2023	2024	Selisih	2023	2024
Aceh	19707	20110	402	13520	14802	1282	1,46	1,36
North Sumatra	19940	20282	342	14445	15085	640	1,38	1,34
West Sumatra	18881	19787	906	14775	15783	1008	1,28	1,25
Riau	19767	20610	843	14765	15418	653	1,34	1,34
Jambi	19617	19854	237	14271	14976	705	1,37	1,33
South Sumatra	18763	18962	199	13603	14579	976	1,38	1,30
Bengkulu	20031	20314	284	14367	14355	-12	1,39	1,42
Lampung	18698	19326	628	13846	14561	715	1,35	1,33
Bangka Belitung Islands	18364	19350	986	15266	15815	549	1,20	1,22
Riau Islands	20143	20305	162	13111	13895	783	1,54	1,46
Jakarta	23127	21937	-1189	13757	14657	899	1,68	1,50
West Java	22047	22321	274	12745	13303	558	1,73	1,68
Central Java	20104	20673	570	13117	13861	744	1,53	1,49
Special Region of Yogyakarta	22669	23367	698	14200	13907	-292	1,60	1,68
East Java	20481	20131	-350	13725	14359	634	1,49	1,40
Banten	20505	20518	13	13453	14070	616	1,52	1,46
Bali	19775	20653	878	12900	13301	401	1,53	1,55
West Nusa Tenggara	20411	20599	188	13614	14027	414	1,50	1,47
East Nusa Tenggara	21682	21626	-56	13486	13362	-124	1,61	1,62
West Kalimantan	20194	20086	-108	14408	15163	755	1,40	1,32
Central Kalimantan	20928	21700	772	13612	15165	1553	1,54	1,43
South Kalimantan	19283	19981	697	13943	14686	743	1,38	1,36
East Kalimantan	20664	20973	309	14397	15697	1300	1,44	1,34
North Kalimantan	20264	20891	627	14784	15456	671	1,37	1,35
North Sulawesi	19614	21151	1538	14548	14374	-175	1,35	1,47
Central Sulawesi	20141	20096	-45	13840	14445	605	1,46	1,39
South Sulawesi	19590	20172	582	14021	14446	425	1,40	1,40
Southeast Sulawesi	20272	20802	530	13536	14401	866	1,50	1,44
Gorontalo	20766	21671	905	13802	15809	2007	1,50	1,37
West Sulawesi	19805	21203	1398	13044	14102	1058	1,52	1,50
Maluku	20904	21487	584	14878	15277	399	1,41	1,41
North Maluku	23718	22973	-745	14393	15282	889	1,65	1,50
West Papua	22892	26182	3290	13999	15009	1011	1,64	1,74
Southwest Papua	32606	23638	-8968	14075	13960	-115	2,32	1,69
<b>INDONESIA</b>	<b>20840</b>	<b>21427</b>	<b>587</b>	<b>13573</b>	<b>14218</b>	<b>644</b>	<b>1,54</b>	<b>1,51</b>

Source: SUSENAS 2023 and 2024, processed

Note: The prices presented reflect the average prices paid by consumers, not actual market prices.

### 4. Impact on Vitamin A Intake and Micronutrient Risks

Every 1-gram decrease in packaged cooking oil consumption reduces vitamin A intake by approximately 13.5 µg RE. With the national decline in average consumption, vitamin A intake has decreased by approximately 40 µg RE compared to 2023. National adequacy levels have also fallen—from 108.6% to 98.7%. The decline is even steeper among low-income households, who rely heavily on bulk oil and consume limited amounts of vegetables and animal-source foods. Without corrective measures, the risk of vitamin A deficiency may rise

again, particularly among young children and pregnant women.

**These findings demonstrate that cooking oil fortification cannot achieve its full impact without supportive policies on pricing and distribution. As long as bulk oil remains cheaper and more accessible, low-income households will continue relying on non-fortified oil and remain trapped in cycles of micronutrient inadequacy. Ensuring affordable prices and equitable availability of fortified cooking oil would restore fortification as a powerful instrument to safeguard the vitamin A status of millions of Indonesian families.**

## Policy Analysis

Current national policies on cooking oil pricing and distribution focus on market stabilization through the Domestic Market Obligation (DMO) and the Retail Price Ceiling (HET), as stipulated in the Ministry of Trade Regulation No. 18/2024<sup>10</sup>. The regulation reinforces that DMO requirements now apply exclusively to MinyaKita packaged cooking oil, rather than bulk oil. This means that producers seeking to export palm oil derivatives must first fulfill their domestic supply obligations by selling affordable packaged cooking oil. The policy aims to shift part of the supply from bulk oil to packaged oil, which is more hygienic, safer, and compliant with the vitamin A fortification standards outlined in SNI 7709:2019.

The HET for MinyaKita—set at IDR 15,700 per liter<sup>11</sup>—was adjusted to reflect rising production, distribution, and industry costs through Ministerial Decree 1028/2024. However, this price increase widened the gap between packaged oil and bulk oil, which averaged only IDR 14,200 per liter in 2024<sup>12</sup>. With price differences ranging from IDR 3,500 to IDR 11,000 across provinces, low-income households are almost certain to opt for cheaper, non-fortified bulk oil. If this price disparity persists, cooking oil fortification will fail to reach the populations most in need

On the distribution side, bulk oil remains dominant due to its long-standing, expansive, and easily accessible market network—particularly in rural areas and regions outside Java. Although the updated DMO mechanism includes regional multipliers to promote more equitable supply distribution<sup>13</sup>, its effectiveness depends heavily on producer compliance and strong oversight by local governments. Without robust monitoring and incentive structures, fortified packaged oil will continue to flow disproportionately to urban markets with higher purchasing power, leaving vulnerable regions dependent on non-fortified bulk oil.

These dynamics have significant implications for the sustainability of vitamin A fortification. Because fortification is mandated only for packaged oil, every barrier related to pricing and distribution directly reduces coverage and weakens its contribution to national vitamin A intake. This risk becomes more pronounced as consumption trends show a shift back to bulk oil, particularly among low-income households.

A new policy issued by the National Nutrition Agency (BGN) through Decree No. 63/2025<sup>14</sup>—requiring the use of fortified cooking oil in the Nutritious Meal Program (MBG) across more than 32,000 SPPG institutions—offers a strategic opportunity. The MBG program can serve as a major distribution channel for fortified oil and act as a stabilizing mechanism for demand and price through public procurement. However, to maximize impact, the MBG initiative must be closely integrated with policies governing pricing, logistics, and the production of packaged fortified oil.

Looking ahead, the cooking oil policy must evolve from market stabilization to nutrition stabilization. Key policy instruments include:

- **price equalization schemes** or logistics subsidies to narrow the price gap between packaged and bulk oil.
- **incentives for producers** distributing fortified oil to low consumption regions.
- **strengthened distribution oversight** down to district and municipal levels.
- **full integration of the MBG program** with the national fortification agenda as part of the broader micronutrient deficiency reduction strategy.

With these measures, pricing and distribution policies will not only stabilize markets but also ensure that fortified cooking oil serves as an inclusive and sustainable national nutrition intervention.



<sup>10</sup> Kementerian Perdagangan Republik Indonesia. (2024). *Peraturan Menteri Perdagangan Nomor 18 Tahun 2024 tentang Minyak Goreng Sawit Kemasan Dan Tata Kelola Minyak Goreng Rakyat*. Jakarta: Kementerian Perdagangan RI.

<sup>11</sup> Keputusan Menteri Perdagangan Republik Indonesia Nomor 1028 Tahun 2024 tentang *Penetapan Harga Eceran Tertinggi Minyak Goreng Rakyat, Pemenuhan Kebutuhan Dalam Negeri (Domestic Market Obligation), dan Harga Penjualan di Dalam Negeri (Domestic Price Obligation) Minyak Goreng*.

<sup>12</sup> Koalisi Fortifikasi Indonesia (KFI). (2025). *Profil Konsumsi Pangan Fortifikasi Wajib dan Asupan Zat Gizi Mikro di Indonesia Berdasarkan Analisis SUSENAS 2024*.

<sup>13</sup> Kementerian Perdagangan Republik Indonesia. (2024). *Keputusan Menteri Perdagangan Nomor 1029 Tahun 2024 tentang Penetapan Faktor Pengali Kemasan, Faktor Pengali Regional, dan Insentif Tambahan Badan Usaha Milik Negara dalam Rangka Pemenuhan Kebutuhan Dalam Negeri (Domestic Market Obligation) Minyak Goreng*. Jakarta: Kementerian Perdagangan RI.

<sup>14</sup> Kementerian Gizi Nasional / Badan Gizi Nasional. (2025). *Keputusan Kepala Badan Gizi Nasional Nomor 63 Tahun 2025 tentang Perubahan Kedua atas Petunjuk Teknis Penyelenggaraan Bantuan Pemerintah untuk Program Makan Bergizi Gratis Tahun Anggaran 2025*. Jakarta: Badan Gizi Nasional.

## Policy Recommendations

To ensure that vitamin A fortification through cooking oil effectively reaches vulnerable populations—and is not undermined by price dynamics or the dominance of bulk oil—Indonesia needs an integrated, nutrition-sensitive policy framework. The key recommendations are as follows:

### 1 Implement Universal Fortification (Packaged and Bulk Oil)

Mandatory fortification should apply to all forms of palm cooking oil—both packaged and bulk—so that program effectiveness is not dependent on consumer preference or price differences. Quality control can be conducted upstream, at post-production stages, before distribution. This is the most strategic measure to close nutrition access gaps.

### 2 Stabilize Prices of Fortified Cooking Oil Through Nutrition-Sensitive Schemes

The government should develop:

- Differential price subsidies for low-income regions and households;
- Inter-regional price equalization to reduce the gap between Java and non-Java areas; and
- Direct integration with the DMO mechanism to secure supply and prevent shortages.

**Affordability is essential to prevent households from switching back to non-fortified bulk oil**

### 3 Integrate Fortified Cooking Oil into Food Assistance Programs

Fortified cooking oil should be incorporated into BPNT, the Nutritious Meal Program (MBG), and other social protection schemes. The MBG program (as mandated by BGN Decree No. 63/2025) can become the largest distribution channel to reach low-income groups and underserved regions.

### 4 Provide Distribution Incentives for Hard-to-Reach Areas

Industry should be encouraged to deliver fortified products to low-consumption regions through:

- logistical incentives,
- reduced distribution costs, and
- utilization of regional multipliers under Ministerial Decree 1029/2024.

These measures are crucial to reduce geographic disparities.

### 5 Strengthen Quality Control and Public Education

Oversight of non-fortified bulk oil must be tightened through:

- product certification,
- supply chain inspections, and
- sanctions for producers failing to meet fortification standards.

Public campaigns highlighting the benefits of fortified oil and the risks associated with non-fortified bulk oil should be expanded to foster consumer-driven demand.

### 6 Strengthen the National Monitoring System

Integrate SUSENAS, SKMI, and national nutrition information systems to regularly track the consumption of fortified cooking oil and vitamin A status. Data-driven monitoring is essential for timely and targeted policy adjustments.

With these measures, cooking oil fortification will serve not merely as a technical food-enrichment strategy, but as a powerful instrument for achieving inclusive and equitable nutrition security in Indonesia.

## References

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