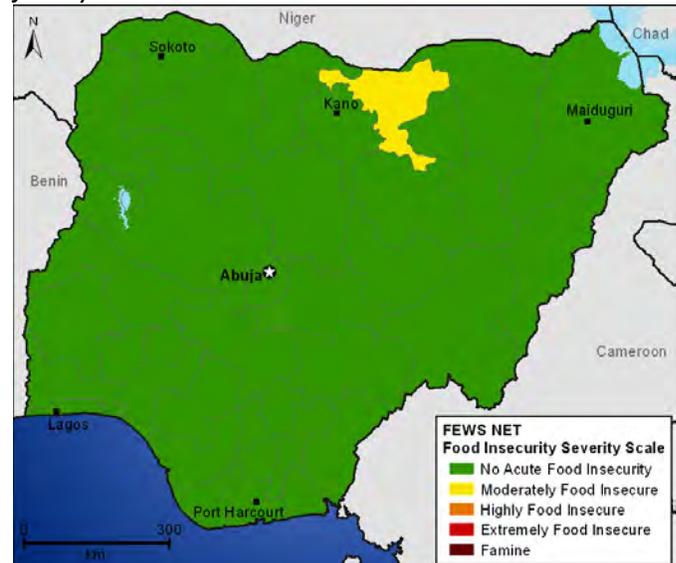


## NIGERIA Food Security Outlook

January – June 2011

- Four months after the completion of the 2010 growing season, food supplies are high at market and household levels, in most states of the country, following above-average cereal and cash crop production in October. In most parts of the North, cereal, livestock prices and household food reserve levels, the key food security determinants, in January, are favorable. Cereal prices are near the nominal five-year average in most markets in the north. Pastoral recovery from the 2010 difficult hunger season is also faster than expected due to above-average livestock-to-cereal terms of trade.
- In Jigawa and in localized areas of Sokoto and Kebbi, in the extreme north, poor households will continue to face limited access to basic food and reduced purchasing power, maintaining them in moderate food insecurity until April 2011, when the dry-season harvest will make vegetable, fruit, accessible.
- In the south, food security conditions are marked by above normal cereal, tubers and vegetable production levels in October/November 2010 coupled with seasonably low gari prices and high household dependency on own production for daily meals. During the January-June period, food security conditions will decline in some coastal states such as Bayelsa, Rivers, and Cross River due to the combination of normal lean season shortages, abnormally high election-related civil insecurity, and poor market links.

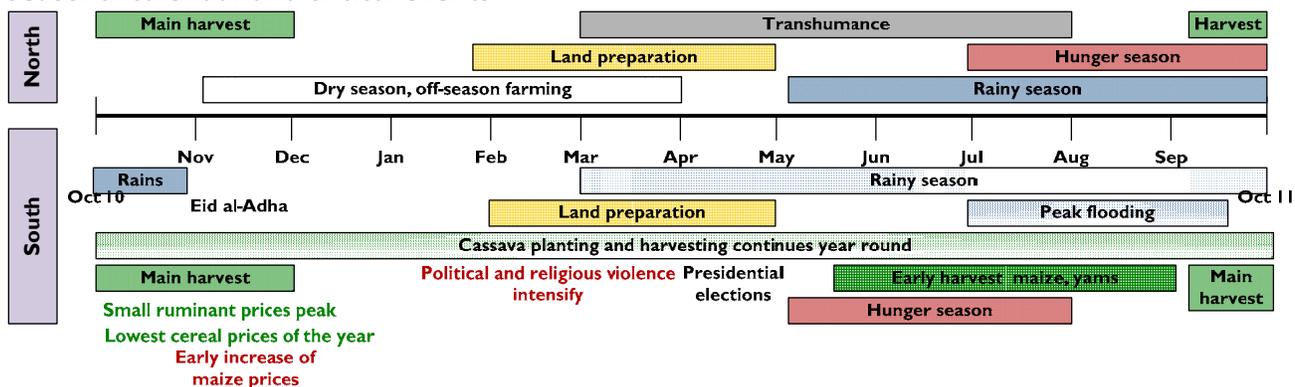
**Figure 1.** Current estimated food security outcomes, January 2011



For more information on FEWS NET's Food Insecurity Severity Scale, please see: [www.fews.net/FoodInsecurityScale](http://www.fews.net/FoodInsecurityScale)

Source: FEWS NET

### Seasonal calendar and critical events



Source: FEWS NET

**Most Likely Scenario (January-June 2011)**

Food security conditions are favorable nationwide, following above normal tubers, pulses and cereal production in the North and the South. Some macro-economic determinants such as inflation rate and exchange rate between the naira and the CFA and between the naira and the dollar have shown improvements, as of January. The naira has remained stable and strong against the dollar and the CFA. The Composite Consumer Price Index dropped from 12.8 percent in November 2010 to 11.8 percent in December 2010, a relatively consistent level. The Central Bank of Nigeria and several economists have warned that inflation could rise again from 11.8 percent in late December to over 12 percent during the first quarter of 2011. Government spending has increased significantly since the fourth quarter of 2010, due to increased spending on social programs as candidates are trying to attract votes. Spending on elections is also exceptionally high.

The scenario in the country for January to June 2011 is based upon the following general assumptions:

- The conduct of the presidential election scheduled for April this year will be marred by insecurity and violence in January, February and March.
- Increased inflationary trend between January and May is expected, due to the high spending during the election campaign and uncertainty regarding the proposed minimum wage increase for formal, non-agricultural labor from NGN 7,500 to NGN 18,000 per month.

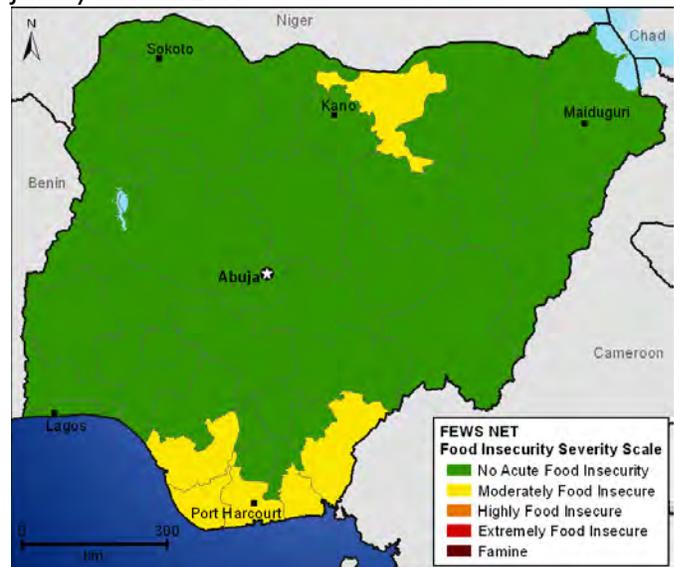
If the scenario holds, urban households' purchasing power will be adversely affected, forcing them to increase the proportion of income spent on food and to consume less preferred, less diverse foods. Companies will reduce output and lay-off unskilled laborers.

**Most Likely Scenario for the South, particularly the southwest (Ondo, Ogun, Osun)**

Household food security conditions are favorable in the South in January due to the combination of above-average pulse and tuber production. Access to a diverse food basket, including cassava, maize, and gari, is high as food prices have remained low since the main harvest in October. In April, normal food shortages, high demand, and high food prices will result in the deterioration of food access for poor households in May, as the lean season starts in most areas of the South.

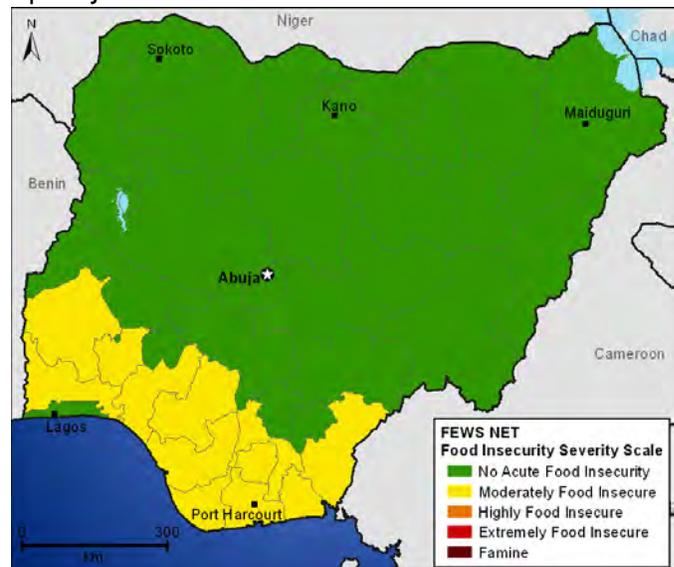
However, poor households in localized areas of Ogun, Ondo and Osun states who experienced yam and cassava production shortages, due to prolonged dry spell in August, will face below-average household food reserves in 2011, exposing them to moderate food insecurity between April and June. Throughout the South, due to abnormal election-related violence, and

**Figure 2.** Most likely estimated food security outcomes, January – March 2011



Source: FEWS NET

**Figure 3.** Most likely estimated food security outcomes, April – June 2011



Source: FEWS NET

high industrial demand between January and April, in Delta, Bayelsa, Rivers and Akwa Ibom will hamper market supplies, leading to high food prices and making household access to food difficult.

The most likely scenario, in the South for January to June 2011 anticipates the following assumptions:

- Localized yam and cassava production shortages, in the South West, in the states of Ogun, Ondo and Osun, leading to yam and cassava shortages and increased prices of the major staples in the area.
- Resumption and intensification of the Niger Delta crises with significant population displacement, compounded by violence due to the pre-election campaign scheduled for the first quarter of the year.
- Water pollution, due to oil pipeline attacks will reduce fish availability in the coastal areas making access to fish unusually difficult for this period of the year.
- The intensification of the Niger Delta crises will disrupt the activities of the oil companies and reduce oil revenue accruing to government.
- Domestic trade of cereals and livestock between the north and the south peaks with normal flow from northern to southern markets between January and March, and will decline by 20-30 percent during April to June, normally.

Yam and cassava production shortages in Oyo, Osun and Ogun, states of will reduce market supplies by as much as 20 to 30 percent compared to average between January and June, leading to prices approximately 20 percent above the nominal five-year average. Poor-household income from the sale of gari and yam will be approximately 10 percent below average between January and March. Household expenditures are the highest in the year between January and May/June. In January and February households—even the poor—will buy seeds and fertilizer. In late March/April they will engage in agricultural activities to plant their crops. Poor households will be forced to sell a portion of their food reserve to meet these urgent needs. As a result, they will become market dependent in May, when food prices are normally high, slipping into moderate food insecurity and during the January-June period.

Civil insecurity will rise beyond normal levels from January to March, as the 2011 presidential elections, which are currently expected to take place in April, draw near. Coupled with the unresolved Niger Delta crisis, which has continued to degenerate the security situation will worsen significantly, leading to oil pipeline vandalization and oil spills during January to May period, rivers pollution, hampering fishing activities and reducing market supply, which are seasonably low during the January May period, by 20 percent relative to normal as traders are reluctant to supply local and major markets. Food prices will rise up to 20 percent above their normal high levels, in areas affected by civil insecurity. With above-average food expenditures for the season, households will reduce dietary diversity, particularly sources of protein, such as fish and meat. Reliance on remittances, which represents up to 20 percent of poor household annual income, consumption of less preferred food such as gari and cocoyam and alternative sources of protein, such as snails, will moderate rising food insecurity and malnutrition rates. The fear of violence and harassment will force a significant number of poor households to move to shelters between February and June. Households in shelters will meet their needs through food assistance and will be moderately food insecure.

Oil pipeline attacks will result in reduced government revenue by 20 percent compared to average between January and June. State governments will postpone local food security programs in anticipation to an expected reduction in oil revenue. There will be small financial losses for local businesses, reliant on demand from oil sector workers. The combination of reduced revenue for government and local private businesses will lead to increased unemployment of unskilled labor, reduced purchasing power for working households and difficult access to food. Poor households will be moderately food insecure as a result between January and June.

### **Most Likely Scenario in the North and the Extreme North**

Most households throughout the North have food reserves from recent the recent harvest and currently rely on own-produced food for daily meals. Millet, sorghum, and maize prices are generally low, ranging from NGN 4,000 to NGN 4,500. Continued improvements in food security are anticipated, throughout the North between January and April. In Jigawa the impact of the September flooding on the poor who lost most of their assets and in localized areas of Bauchi, Plateau and Yobe where rising civil insecurity will threaten household food security.

The most likely scenario for northern Nigeria is based on the following general assumptions:

- New outbreaks of ethno-religious violence will occur in Borno, Bauchi, Yobe, and Plateau states. The cumulative impact of several incidences of violence involving a significant number of households will lead to repetitive short-term migration to cities, dependence on food assistance, and depletion of household assets.
- Slow flood recession and above-average water availability during the January-June off-season cropping and dry seasons will facilitate above-normal access to fish, wild food, and milk throughout the outlook period.
- Recessional crop cultivation during the January-May period will lead to exceptional high vegetable, cash crop, rice, and maize production, cushioning normally rising food prices in May, June, and July.
- In areas which have not experienced flooding and where rice consumption is typically high, dry season cropping will contribute to increase household rice reserves, prolonging them to June and covering poor households' food requirements until July.
- Major drivers of food security, such as market cereal prices, livestock prices and household food reserve levels are favorable, in January and are likely to be sustained through June.

High residual moisture will help improve maize production in the Lake Chad, in northern Borno state and the Komadugu Yobe area, in northern Yobe, where maize and vegetable are extensively produced, during the dry season, in May. This year, production increases of as much as 20 percent relative to average could boost import rates of recessional maize into local and major northern markets, such as Tundu Hatsi (Gombe), Dawanu (Kano), and Saminaka (Kaduna) in May and June, stabilizing prices. That is a time when maize supply is normally low. Also contributing to facilitate domestic maize trade is improved market links with local and major markets and better access to markets, as road conditions have improved significantly since the end of the rainy season in October. Maize prices, which normally rise, in June, due to normal maize shortages, in northern markets, will stabilize or decrease this year, due to high maize supplies, arriving from the Lake Chad area in May and early June.

Above-normal access to fish and prolonged fishing activities is expected to increase fish availability and decline, in prices, by 20 to 30 percent, leading to better affordability and partially compensate for normally low protein intake by the poor, especially between January and April, when meat prices are generally high due to high livestock prices. This will increase poor household's access to protein and improved nutrition status.

High water levels in rivers will lead to increased hydro electricity generation, reducing the lengthy power rationing period allowing the resumption of normal business operation and employment opportunities. This will be particularly beneficial for plumbers, welders and poor households selling ice blocks that will see their income source increased, facilitating their access to food and non food items.

Water availability, for livestock, will be abnormally high during the January-June period and extended to June instead of April in a normal year. Improved fodder and water resources, in the major pastoral areas in Borno, Jigawa and Yobe states and to a lesser extent in Sokoto, Zamfara and Kebbi states will translate in better animal body condition and economic value favorable livestock-to-cereal terms of trade and improved purchasing power for pastoralists. Livestock prices will increase between January and April due to low supply. Households will sell fewer livestock as they spend less on water and fodder for maintaining them. Prices currently range from NGN 8,000 to NGN 10,000 for small ruminants; they will not decline substantially until May and will reach their lowest level in early August, approximately NGN 4,000 to NGN 6,000.

Given that water will be accessible until June, pastoral households will stay at homestead, instead of migrating southward, in April, in search of pasture and water. The delay in transhumance will lead to a better opportunity for pastoral households to access milk and processed livestock products, especially locally made cheese.

However, a late movement of livestock to the North central and the South in June could coincide with planting period, in the North. This could lead to intense conflict between farmers and pastoralist over resources, as livestock venture into farmlands in May/June.

#### **Areas affected by severe flooding in September 2010**

In Jigawa state, and to a lesser degree in Sokoto and Kebbi states, major flooding in September 2010 led to significant damage to crops, livestock and household assets. In Jigawa state, most poor households who lost their assets do not have

the resilience to address the impact of flooding. They coped between October and December through food gifts and emergency assistance and indebtedness. They are also engaged in the rapid sale of their below-average newly harvested main-season (October-December harvest) crops (millet, sorghum, and cowpea).

In areas close to major rivers such as Hadejia Valley, in Northern and Central Jigawa, and localized parts of Sotoko, and Kebbi, off-season (January-April) harvest expectations are high. Vegetable, maize and rice production is likely to be 20 to 30 percent above average, due to high residual moisture, which will enhance the productive potential of the dry season. A small proportion of these crops will be used for daily meals, in April and early May. However, the bulk of these crops will be sold in local markets between April and May to earn cash to rebuild household stocks of preferred, main-season foods. Terms of trade favor this strategy (e.g., one kilo of rice is worth approximately 2.5 kg of millet) and are expected to remain stable through April.

Poor, flood-affected households will remain moderately food insecure from January to March as these resources are insufficient to support their livelihoods. In May and June, vegetable, cash crop and rice harvest will further reduce food insecurity especially around rivers and ponds, such as Hadejia Valley in Jigawa, where these crops are highly produced.

**Areas of Borno, Bauchi, Plateau and Yobe prone to civil insecurity**

In addition to the general assumptions above, inter-communal and religious violence will be above-normal in Borno, Bauchi and Yobe states as the April 2011 election draws near. This will frequently, if temporarily, disturb normal access to markets and food and cash sources, particularly between March and May. During the March-May period, millet and sorghum prices may increase 15-20 percent for a week or two after an incident.

Pastoral households’ access to the abundant pastoral resources, in Plateau, Bauchi and Kaduna states will be hampered, as pastoralists become reluctant to move with their livestock due to insecurity. Increased competition for fodder and water will further increase the potential for conflicts in May/June. Pastoralists may also move further away along abnormal migration routes to neighboring states for grazing, leading to long treks, poor animal body conditions, and abnormally low livestock productivity and market value as soon as April and May. They will remain moderately food insecure throughout in May and June.

**Table 1.** Events that could change the most likely food security scenario

Area	Event	Impacts on food security outcomes
<b>National</b>	The National Assembly ratifies a minimum wage increase for government employees from NGN 7,500 to NGN 18,000 per month	The combination of high government spending and this increase in minimum wage will lead to significant inflation to the detriment particularly of rural agricultural laborers
<b>Extreme North</b>	The Niger elections (end January) result in violence and civil insecurity; displacement and migration of a significant Nigerien population to the extreme north of Nigeria	High food consumption due to the presence of Nigerien poor households, children and women migrating into Nigerian cities will result in food demand, especially for millet and sorghum, the staple food for both neighboring communities in Niger and Nigeria, leading to increased price of millet and sorghum in the area. Competition over labor employment opportunities will increase abnormally, leading to high labor supply and low wages, constraining Nigerian poor household purchasing power and their access to food in the extreme north.
	Government adds five naira road maintenance charge to a liter of fuel pump price within the first quarter of the year coupled with high fuel demand during the election, will lead to increase transportation costs.	The five naira addition during the first quarter of the year will coincide with peak fuel demand and high mobility of people during the election period leading to increased transport costs and subsequent increase in food prices during February to April.

<p><b>South</b></p>	<p>Significant measures, aimed at curbing insecurity are taken by government during the pre election period. Elections are perceived, by most Nigerians as free and fair. The agreement between the Government of Nigeria and Niger Delta militants is being fully implemented. These initiatives will help avert violence and civil insecurity in the country before and after the elections.</p>	<p>Full implementation of food security related projects in the Niger Delta region, improve household food security throughout the South; access to markets, cash and food sources is normal, increasing household food and protein intake during January to June period.</p>
	<p>The political crisis in Côte d'Ivoire persists and worsens, hampering access to Ivorian markets for traders from several African countries such as Ghana, Togo, Ghana and Mali. Some of these traders buy food staples such as yam cassava and gari from Nigerian markets.</p>	<p>High cassava, gari and yam food export to these countries, during February and March period, in the South, at a time when the hunger period draws near, in February and March and occurs in April and May, will result in higher than normal food shortages and high food prices, making the hunger period more difficult than usual for poor households.</p>