

SAHEL AND WEST AFRICA Food Security Outlook Update January 2011

Unrest threatens food security in several countries

Key Messages

- Grain prices in wholesale markets in Niger and Nigeria are rising prematurely, while grain and livestock prices in Chad are decreasing.
- With the political crisis in Côte d'Ivoire, there are reports of population movements, mainly to Liberia, and general increases in food prices. Prices for sugar and oil in particular have increased in border areas of Côte d'Ivoire. This year, there has not been the usual seasonal migration from Niger, Burkina Faso, and Mali to Côte d'Ivoire between December/January and May/June.
- The socio-religious conflict in the Nigerian states of Maiduguri and Plateau could deter any shift in the direction of migratory movements from Niger to Nigeria. Certain regions like Diffa, Tahoua, and Zinder which were impacted by last year's crisis could be affected by this conflict, where food insecurity levels could start to rise as of March when household dependence on migrant remittances begins to reach its peak.

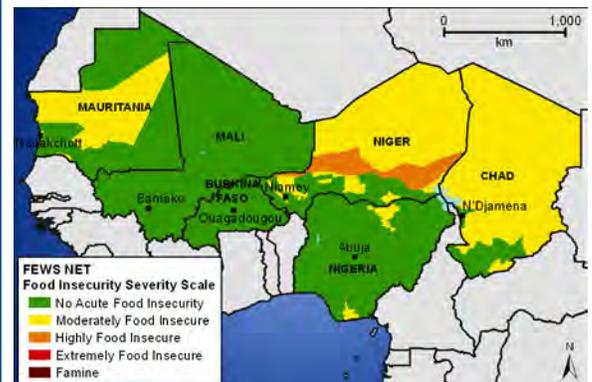
Update of the outlook through March 2011

The month of January marks the end of the marketing season for harvests of rainfed crops in West Africa. As is generally the case in a good crop year, prices for rainfed crops in most countries bottomed out in November/December. The rebound in prices, which has already started in certain local markets, will continue as more and more food-deficit households turn to the market. However, three unusual circumstances are worth noting: namely the premature increase in grain prices in general and in millet and corn prices in particular in Niger and Nigeria, the record decline in grain and livestock prices in Chad, and the negative effects of the political crisis in Côte d'Ivoire and the socio-religious conflict in northern Nigeria on market conditions and food security.

Premature increase in grain prices in wholesale markets in Niger and Nigeria

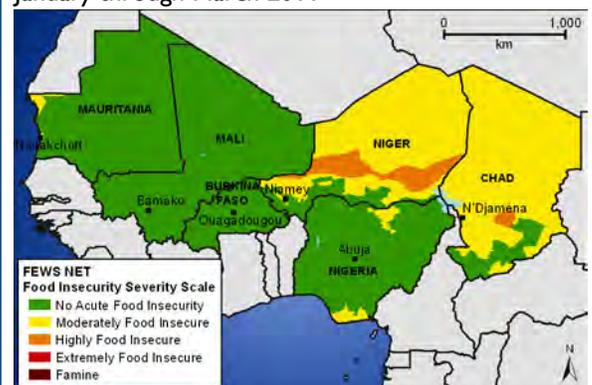
In general, current grain prices are visibly above the five-year average which, itself, is quite high, since it includes years like 2005 and 2008 known for their record prices. This is already raising concerns over the adequacy of grain access for poor households, particularly between April and August/September when households are especially dependent on local markets. In addition, major wholesale markets in Niger and Nigeria are reporting a premature rise in prices for staple foodstuffs like millet and corn.

Figure 1. Most likely food security outcomes, December 2011



Source: FEWS NET

Figure 2. Most likely food security outcomes, January through March 2011



Source: FEWS NET

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

This report provides an update to the November 2010 FEWS NET Food Security Outlook report which estimated food security conditions in West Africa through March 2011. The next Outlook report will be released in February 2011 and will cover the January through July 2011 period.

Wholesale markets are the main sources of supply for local markets in grain-deficit areas beginning as of March in general and particularly during the lean season. If the current premature increase in prices in these markets is due merely to the limited shipments of grain from farmers with the rainy season lasting longer than usual and delaying harvests, conditions could normalize as more and more fresh crops get shipped to wholesale markets. On the other hand, if this is not the case, market prices will stay high despite this year's good harvests and contribute to the current moderate to high levels of food insecurity found in market-dependent areas, particularly in the northeastern Sahel which is still grappling with severe food deficits from 2009 and among the urban poor.

Ongoing institutional procurements will drive these prices up even further over the next few months since there is no further possibility of any large sales by farmers until after the beginning of the rainy season when they clear out their inventories in preparation for their farming activities.

These different circumstances will be investigated by joint annual market and food security assessment missions (by the Permanent Inter-State Committee for Drought Control in the Sahel (CILSS), FEWS NET, the Food and Agriculture Organization (FAO), and the World Food Programme (WFP)) to each major trading area beginning as of the end of January.

Record decline in livestock and grain prices in Chad and cowpea prices in Nigeria

Chad is a country in which certain structural factors (the poor condition of its roads, the limited financing capacity of traders, etc.) keep it isolated from major regional markets. Moreover, this year, the government has banned exports of high-quality livestock and has capped prices for local grain crops and livestock at levels 50 percent below the five-year average to help improve nationwide grain access and consumption. Such measures have prompted traders to unload their inventories of these items, driving down their prices. The main effect of these measures will be the reduction in farm income in surplus areas and tightened supplies in deficit areas provisioned by traders. This could translate into high prices as of April, poor food access, and food insecurity in the Sahelian region of Chad, as was the case last year.

With the ongoing ban on livestock exports, which is the main source of income for residents of the Sahel, the current decrease in livestock prices will continue with the risk of weakening terms of trade.

The low prices of cowpea crops in the Kano wholesale market in Nigeria are raising concerns over the incomes of farmers in Niger once grain prices begin to rise in their main provisioning market at the beginning of the lean season. They could influence domestic markets in Niger, reducing earnings for cowpea growers and limiting their ability to pay their debts. However, these trends will help residents of coastal areas by making cowpeas, which are a major source of protein, more affordable for poor households, which will improve their nutritional status.

The political crisis and socio-religious conflict in Côte d'Ivoire and Nigeria and their effects on food insecurity levels in the region

Food insecurity levels, particularly in the at-risk areas referred to above, could be driven up by the conflict in Côte d'Ivoire, which is distorting the projections made in last November's outlook report, given the country's strategic importance for the food economies of several nations in this region, particularly Sahelian states like Mauritania, Mali, Burkina Faso, and Niger.

More specifically, the food security situation in the two zones (the north and the south) created by the conflict in Côte d'Ivoire is already raising concerns. The sociopolitical crisis in this country has prompted a de facto division of the country into a northern and southern zone, virtually impeding the free movement of persons and goods around the country and cutting off supplies of rice, oil, and wheat from neighboring countries like Mali and Burkina Faso. The north, which includes the Bouaké wholesale market which supplies the entire country with grain, fresh produce, and livestock, is completely cut off from the south and the capital city of Abidjan (with its population of approximately five million inhabitants). Reported shortages and increases in the prices of these foodstuffs are making it extremely difficult for households to maintain a regular diet. Residents of the north are facing low supplies and high prices for imported goods such as oil, milk, sugar, and rice. Food insecurity levels are rapidly rising across the country, and if the crisis continues, other aggravating factors such as the suspension of payments for lack of a government could trigger a food crisis requiring humanitarian assistance.

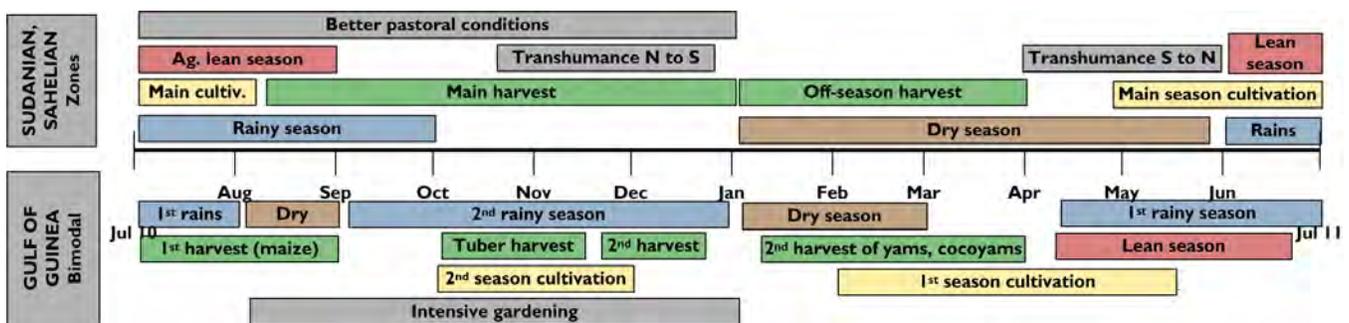
Central basin countries like Burkina Faso and Mali, which are highly dependent on Côte d’Ivoire for their supplies of food, energy, and other staple commodities, will be most affected. The price of corn and oil is rising across the area, making it difficult for urban households to maintain access to these products. Prices for oil and corn, for which Côte d’Ivoire is one of the region’s largest producers, are already up by 10 to 15 percent. If the crisis continues, food prices will keep rising as a result of shortages or increases in shipping costs to Mali and Burkina Faso, heightening food insecurity among the urban poor.

The combined effects of market disruptions, the socio-religious conflict in Nigeria, and the dispute between importers in Niger and the port of Cotonou will also aggravate food insecurity problems in Niger.

Côte d’Ivoire and Nigeria are the two largest economies in the region. This makes them the main destination countries for seasonal migration by food-deficit populations, particularly from Niger, Burkina Faso, and Mali. Unfortunately, the current crisis in Côte d’Ivoire has limited the usual seasonal migration taking place at this time of year. This could affect households impacted by last year’s crisis and households could be facing heightened levels of food insecurity as of March of this year when their dependence on migrant remittances begins to reach its peak. In addition to this migration income, Côte d’Ivoire supplies Niger with an average of over 20,000 metric tons (MT) of corn per year, particularly during the lean season when its closest sources of supply (Nigeria, Benin, Ghana, and Burkina Faso) are depleted. Adding to this problem, the socio-religious conflict in Nigeria and the dispute between traders in Niger and officials at the port of Cotonou in Benin will disrupt the smooth operation of markets and household livelihoods.

Other countries like Liberia will be indirectly affected by the population displacement precipitated by this conflict. There are already reports of population movements from Côte d’Ivoire to Liberia where food prices are rising in border areas with Côte d’Ivoire. There is a heightened risk of high levels of food insecurity in these parts of the country, which have the worst food supplies.

Seasonal calendar and critical events timeline



Source: FEWS NET