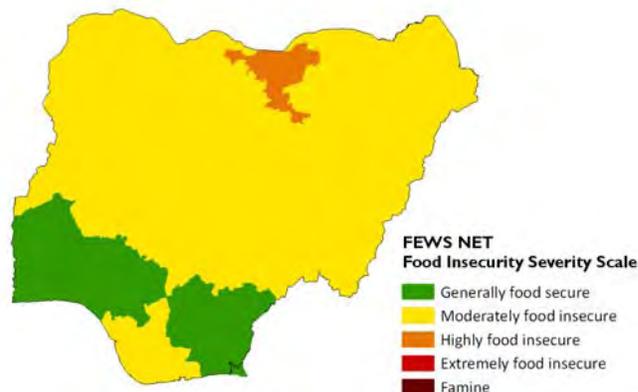


NIGERIA Food Security Update

July 2008

- In northern Nigeria, recent rainfall has led to gradual improvements in crop stands, water availability and pasture conditions. However, because rainfall has not been sufficient to recharge the water table and compensate for significant moisture deficits, pasture and water availability remain very limited in the north. Drinking water is particularly scarce.
- In the north-central part of the country, the general outlook for the season is good and crops are doing well, owing to persistent rains since the start of the season. Only localized droughts, with no significant impact on crop growth and production, have been reported in this region. In the South, the harvest of major crops, including maize and yam, is underway. Although no production estimate is available, some reports are indicating an above-average harvest in most parts of the South.

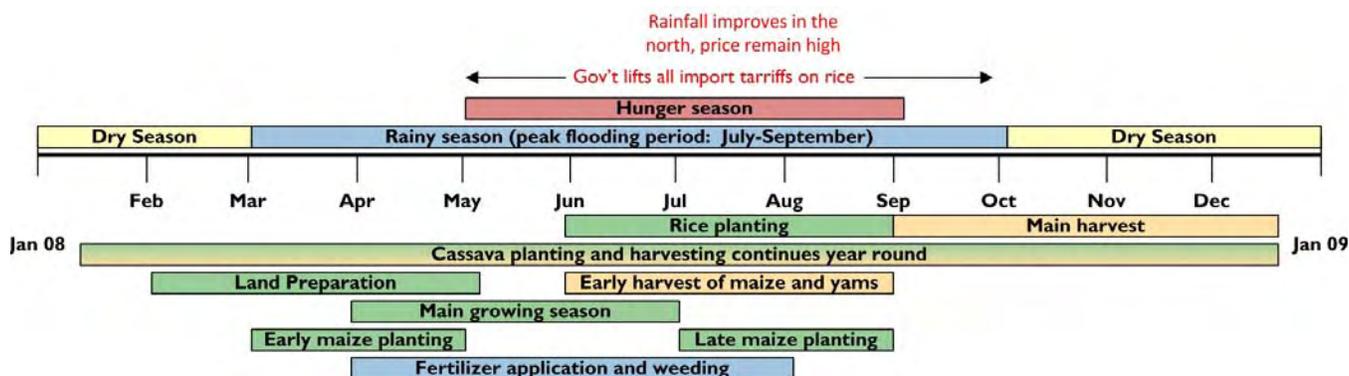
Figure 1. Current food security conditions, July-Sept 2008



Source: FEWS NET /Nigeria

- Food security conditions vary throughout the country in July. The combined impact of high international food prices and uncertainty as to the outcome of the season are resulting in persistently low market stocks and unseasonably high food prices in the far North. In the South, food security is gradually improving owing to the arrival of newly harvested crops in urban and rural markets and the replenishment of households' food reserves. The impact of the early harvest is, however, limited as food prices remain high.

Seasonal calendar and critical events



Household food security in Northern Nigeria

In the north, recent rainfall has led to gradual improvements in crop stands, water availability and pasture conditions. However, because rainfall has not been sufficient to recharge the water table and compensate for significant moisture deficits, pasture and water availability remain very limited. Drinking water is particularly scarce. As a result, herders must travel longer distances in search of water and construction programs, which require large quantities of water, and are

usually an important source of cash for poor households at this time of the year, have been delayed. Competition for water sources may lead to conflict among herders in the coming weeks if regular rainfall does not resume. Animal body conditions are poor due to the impacts of limited pasture availability and because a lack of animal feed (e.g., cornstalk) is driving up the price of maintaining livestock.

In the far North, where environmental and macroeconomic conditions are also unfavorable, poor households have been facing significant food deficits since April, and face limited livelihood options. Employment opportunities, such as construction work and transportation, have been adversely affected by water shortages, fuel scarcity, and high prices, and as a result, poor households are now limited to casual agricultural labor and reliance on remittances. But because of the late start to the current cropping season, and the unfavorable macro economic conditions, agricultural laborers are likely to earn less this year, when compared to previous years, and be unable to meet basic needs. In addition, while the cash incomes of poor households' are deteriorating, their expenditures are increasing due to high prices and seasonal farming expenses. These households are likely to remain food insecure until October, when access to food will improve with the main harvest and the replenishment of their food reserves.

There is an urgent need to implement the short-term and medium term response plans, recently developed by the government and its partners, in order to mitigate food insecurity in the far north. The short-term response plan, crafted in April, centers on providing seeds and fertilizer, and improving off-season irrigation. The medium term plan aims to mitigate the long lasting effects of drought on the region's ecology through the revitalization of the local agricultural sector.

Seasonal progress

In the far north, the 2008 growing season began between the third dekad of June and the first dekad of July, six to eight weeks late. The late onset of the season resulted in late planting, with millet, maize, sorghum, cowpea and a range of legumes sown during the first dekad of July rather than in June, as they would be in a normal year. Currently, most crops are in the germinating stage, about one month behind normal. In some areas of the far northwest and the far northeast, such as Kebbi and Borno States, the season started normally in mid-May with significant interruptions during the second and the third dekads of June. This dry spell resulted in temporary wilting and localized crop losses, but rainfall resumed during the first dekad of July before any significant damage to crops occurred.

During the month of July, most areas in the far north have experienced normal to above-normal rainfall with good spatial and temporal distribution. In areas where planting started late, crop stage and pasture conditions have improved when compared to last month. Crop stands range from germination (in most areas) to flowering (in some localized areas of states such as Borno, Yobe and Kebbi). The most recent NDVI illustrates these improvements (Figure 6) while the NDVI anomaly versus the long-term average (Figure 7) and the WRSI (Figures 12 and 13) indicate the dry conditions and crop stress in some areas.

While the recent improvement in rainfall is facilitating recovery in areas of the north affected by a late start of season, there are concerns that long-cycle crops (90 to 120 days) which were planted in July may not reach maturity unless sustained and well distributed rainfall persists until mid October. The likelihood of this rainfall scenario seems poor given that forecasts by the Nigeria Meteorological Agency (NIMET) indicate that rainfall is likely cease earlier than usual in the far North. Poor rainfall in August and September or an early cessation of the season in September would have a negative impact on overall production. It would also result in a further deterioration of market, livestock and livelihood conditions and exacerbate prevailing food insecurity. However, if rainfall is regular and well distributed and persists until the mid October, household food security will gradually improve as rain will recharge water points and replenish pasture. Also, recently harvested maize from southern Nigeria will reach northern markets in September and will contribute to increased market stocks and improved household food access.

Difficult access to fertilizer could negatively impact production

During July, agricultural activities are centered on fertilizer application. Since 2002, the federal government has been providing a 25 percent subsidy on fertilizer sales for farmers and the distribution of fertilizer has been carried out by State governments. However, in some states, the price difference between subsidized and unsubsidized fertilizer is much larger

because of the lag between when prices are set, and when fertilizer is sold. In the state of Yobe, located in northeast Nigeria, the price of a 50 bag of fertilizer (NPK) is N4,200 on the open market, while the cost of the subsidized fertilizer is N1,800. And in the northwestern state of Kebbi, the market value of a 50 kg of fertilizer was 62 percent higher than the price of the subsidized fertilizer in July. Overall, the cost of fertilizer in the North is about 35 percent higher in than last year.

Although subsidized prices are very low, household access to the subsidized fertilizer is difficult due to limited availability and problems related to the management of fertilizer distribution. In practice, subsidized sales cover only about one-third of farmer’s needs, forcing most poor households to buy additional, poor quality fertilizer on the open market. This lack of access to quality fertilizer will likely have adverse effects on production levels across the country.

Seasonal Progress and food security in North-central and Southern Nigeria

In the north-central part of the country, the general outlook for the season is good, owing to persistent rains since the start of the season. Crops are doing well, with millet and sorghum in the flowering to booting stages. Only localized droughts, with no significant impact on crop growth and production, have been reported in this region. In the South, the harvest of major crops, including maize and yam, is underway. Although no production estimate is available, some initial reports are indicating an above-average harvest in most parts of the South.

However, in some areas of the northwest (e.g., Oyo State), the combination of a late onset of rainfall and dry spells has delayed the harvest and reduced yields of maize and yam, crops which are more affected by the dry spells than the more drought resistant cassava. Typically, maize would have been harvested in mid-July and yam in mid-June, but as of the 3rd dekad of July, full harvest of both crops had yet to commence in these areas. Because last year’s stocks of yam and maize have been depleted and new stocks are still not available in the markets, prices for these commodities are high, making household access to food difficult.

Localized flooding along river banks in some states (e.g., Lagos State) has resulted from heavy rains. The flooding damaged some crops but the impact on production is likely to be minimal. However, if the heavy rains continue in August, these areas could experience serious water logging, increasing the risk of additional flooding and significant crop losses.

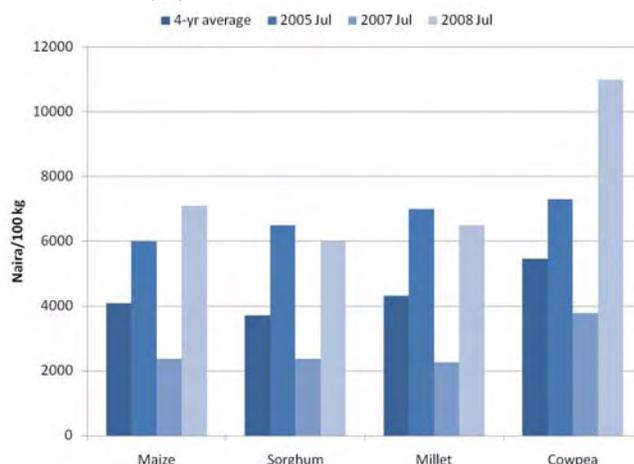
Although food prices have remained seasonably high in the South, food security conditions have improved with the start of the harvest, the availability of wet maize, the arrival of some newly harvested crops in urban and rural markets and the gradual replenishment of households’ food reserves.

Markets and Trade

Food prices have continued to increase, even after the peak of the lean season in the south. In Dawanau market, in Kano, current prices of major grains are all higher than last month and 150 to 200 percent high than last year (Figure 2). They are also substantially above their four year averages: 73 percent for maize, 61 percent for sorghum, 51 percent for millet and about 100 percent for cowpea. Current prices are similar to, or have exceeded, prices in July 2005 (when prices of all major commodities reached historic highs due to a regional food crisis). In Kaura, Jigawa State, current prices for maize and sorghum are at their highest levels since the beginning of the year (Figure 3) and above the recent five-year average.

In Ibadan, in southern Nigeria, current retail prices are also higher than their five-year averages (Figure 4). Maize is 97 percent higher, sorghum 56 percent higher, millet 48

Figure 2. Nominal wholesale prices for major grains in Dawanau in July



Source: Dawanau ICT/FEWS NET

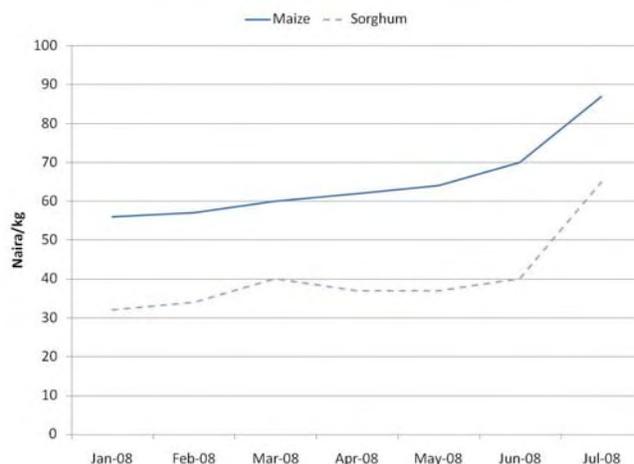
percent higher and rice (imported) 52 percent higher. Compared to price at this time last year, current prices are 40 to 173 percent higher, depending on the commodity. A similar trend applies to current prices of cowpea, yam and cassava (major staples in the south). The current price of gari is 38 percent above average, 83 percent above average for yam and 58 percent above average for cowpea (Figure 5). Compared to price at this time last year, current price of gari, yam and cowpea are 100, 119 and 140 percent higher, respectively.

Maize is the only grain currently being harvested in the South but so far, the impact of the early maize harvest in the south is minimal, as harvested grains are still too wet for milling or other uses. Although the month of July usually brings some relief to poor households, as the peak of the hunger season recedes and harvest begins, the prices of major crops remain very high due to a variety of factors. For instance, the high cost of diesel fuel has translated into higher transportation costs and the season has started poorly in the north. In the south, the lingering impact of an early dry spell has also contributed to this situation, in addition to high global food prices.

In urban areas, stocks are generally low, early maize harvests from the south is still wet, and humid conditions are affecting the storage of grain. In addition, high international energy prices are pushing fuel and kerosene prices higher in Nigeria and government salaries are not being paid, especially for teachers on strike. Combined with seasonably high food prices, these issues have translated into increased expenditure and constrained food access for poor urban households. However, this situation has been somewhat mitigated by the recent suspension of tariffs on imported rice which has resulted in a drop in rice prices and better household access to food in urban areas.

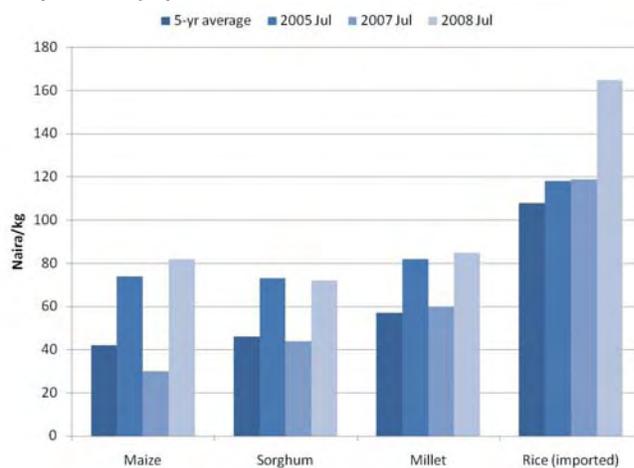
Cross border trade between Nigeria and neighboring countries is seasonably low. The good performance of the growing season in most parts of the Sahel is resulting in a gradual improvement of market conditions and reductions in prices as traders release their old stocks. Prices in these countries are generally lower than prices in Nigeria and as a result, Sahelian traders, who usually buy grains from Nigerian markets during this period of the year, are purchasing elsewhere.

Figure 3. Nominal retail prices for maize and sorghum in Kaura Namoda market, Zamfara state, Jan-July 2008



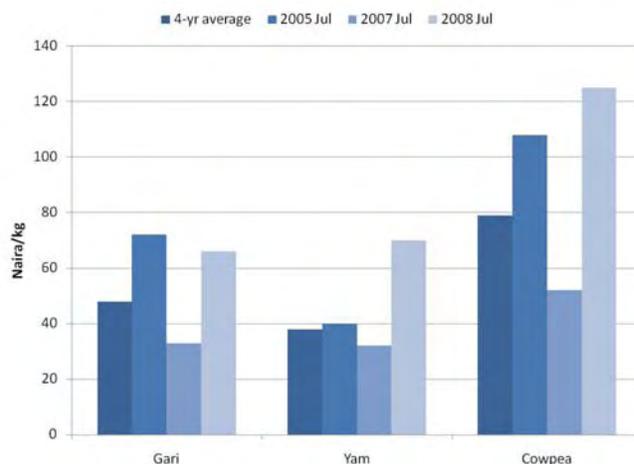
Source : Dawanau ICT/FEWS NET

Figure 4. Nominal retail price for major grains in Ibadan, Oyo state, July 2008



Source: ADP/ FEWS NET

Figure 5. Nominal Retail Prices for cowpea, gari and yam in Ibadan in July



Source: ADP/FEWS NET

Annex I. NDVI, SOS, WRSI and their anomaly/averages for the second dekad of June 2008 for Nigeria

Figure 6. NDVI – End 2nd dekad of July

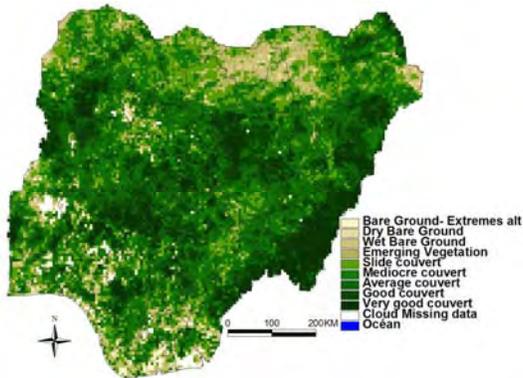


Figure 7. NDVI Anomaly/Average

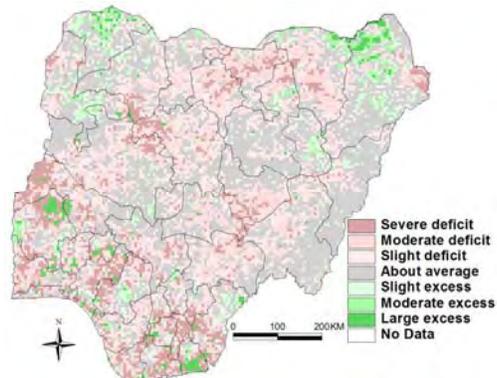


Figure 8. Total RFE (mm), Apr 1 – Jul 20

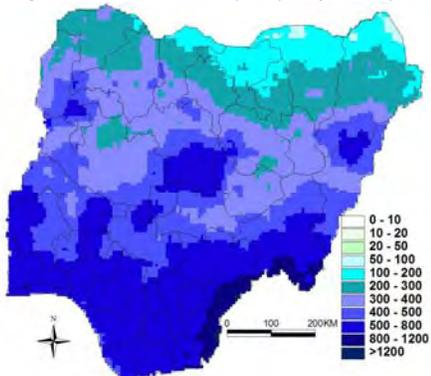


Figure 9: Anomaly total RFE/average

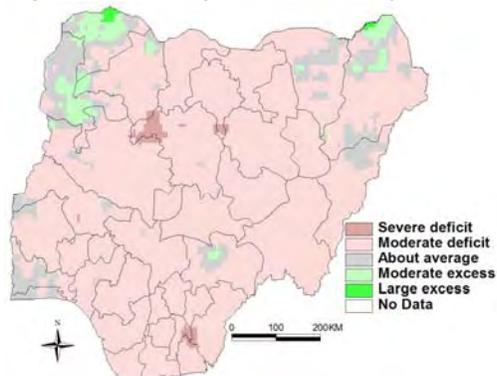


Figure 10. Start of season – End 2nd dekad of July

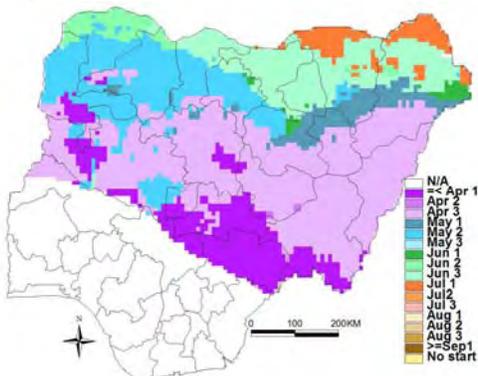


Figure 11. Start of season, Anomaly/Median

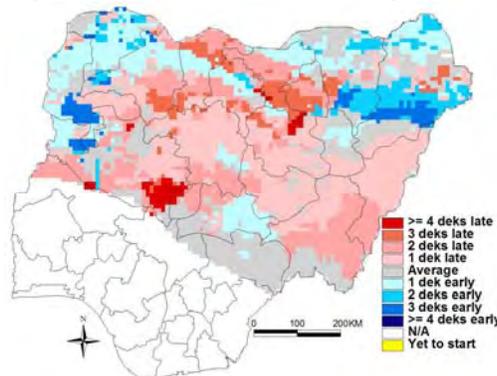


Figure 12. WRSI – End 2nd dekad of July

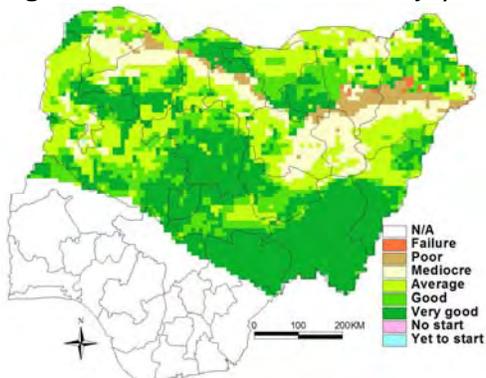


Figure 13. WRSI Anomaly for the same period

