

NIGERIA Food Security Outlook Update

April 2011

Presidential election marred by intense violence and insecurity across the country

- The 2011 cropping season is progressing well, in the south, after planting in March. In the north, the season has not started. It is expected to start in April/May in the north central, and in June, in the extreme north, upholding the predictions made by NIMET and major meteorological organizations such as NOAA and IRI.
- The presidential election, which was conducted on April 16th, is characterized by intense post election violence in the north, with significant losses of lives and population displacement, high insecurity, hampering access to markets and social services.
- Cereal prices have stabilized at high levels in April as market and household food stocks deplete, normally. However, this will be compounded by the persistently high diesel price and transport cost since February, which may hamper food flow to the south from the surplus northern markets as the lean season peaks in the south.

Figure 1. Map of most likely food security outcomes, April-June 2011



Source: FEWS NET

Update of the most likely scenario to June 2011

Market flow continues to follow normal seasonal trends throughout the country in April. Exceptions include the flood-affected areas in Jigawa, Kebbi, and Sokoto in the north and in Ogun, Osun, and Ondo states in the south. These areas were affected by the rice, sorghum, yam and cassava production shortages during the 2010 harvest, and food prices there are 20 to 30 percent higher than areas which are not affected by the production shortages following the 2010 harvest. In these states, the prices of key staples increased between March and mid April due to typical seasonal declines in market supplies. Other areas where food prices are beyond normal levels are localized parts of Borno, Yobe, Bauchi and Plateau states, affected by violence, coupled with abnormal fuel prices and transport cost since February. High government spending prior to the general election increased inflation slightly from 11.1 percent per annum in February to 12.8 percent in March, as was expected in the scenario in the January to June outlook. As expected in the January Outlook, market transaction and domestic trade were disrupted sporadically nationwide by post-election violence. Though, the condition may be short-lived, food prices may increase in May, in affected areas, particularly in the northern states.

In the North

Light rains were recorded in localized areas in the north central, which is normal for this time of year. In anticipation to the start of the growing season, most farmers in the north central and the extreme north have completed land preparation activities and procured inputs.

The off-season harvest peaks in April throughout the north. Lake Chad and Hadejia-Jama are, the two major dry season basins, spanning through Borno, Yobe and Jigawa states. Surface and groundwater levels are above average for the season, due to the 2010 rainfall and flooding. Off-season maize and vegetable production is up to 20 to 25 percent above average, increasing farming household own food stocks and revenue from crop sales and the derived demand for agricultural labor. These conditions apply even to flood-affected areas of Jigawa, where food security improved in April, with the peak of the dry season harvest, tempering food prices particularly for maize and vegetables and increasing food access to the poor

This report provides an update to the January 2011 FEWS NET Food Security Outlook report which estimated food security conditions from January to June 2011. The next Outlook report will be released in May and will cover May to September 2011.

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households. There, even the majority of poor households are maintaining typical seasonal food consumption patterns without assistance or negative coping strategies. They are not expected to face acute food insecurity through June. Maize flow to major northern markets such as Saminaka will increase shortly, strengthening market supplies and stabilizing maize prices, which had increased seasonably between February and March.

In these basins, fishing output is also above normal, as are income and food drawn from this activity. Maize production and fishing activities will decline significantly in May, as the water level within the basins deplete normally, due to high evapotranspiration rate and water use in the extreme north.

Generally, price trends between February and March for maize, millet and sorghum are stable, consistent with normal seasonal patterns observed since October, in most markets monitored by FEWS NET. Household and market stocks are normal to high and sufficient to meet industrial demand by poultry farms and malting companies, particularly for sorghum and maize. Industrial demand is below average this year compared to last year, due to economic constraints related to the lingering banking reform.

The rate of price increase is high in flood-affected areas as in Dodoru market, in Kebbi, and likely in Sokoto market, ranging between NGN 5,500 and NGN 6,000 in early April, higher than March and the five-year average. Diesel prices have risen significantly in this area from NGN 108/l in February to NGN 160/l in mid-April (48 percent), due to conflicts between the federal government and the diesel marketers. The increased cost of transporting foodstuffs hampers typical market flows, and these added costs are also being transferred to consumers. Poor households have access to income from remittances/gifts from relatives, labor opportunities, and the sale of firewood. As such, they will be able to meet food needs without external assistance or negative coping strategies through June. If this problem continues beyond June, when household stocks are low and dependence on markets is approaching its annual peak, food security may deteriorate.

In the states of Kaduna, Kano, Sokoto, Borno, Bauchi and Yobe, the post-election violence has resulted in the death of over 120 persons; over 15,000 people have been displaced, as of April 19th. Some of the displaced persons will not return home and will become landless poor. They will not cultivate crops and will be dependent on food assistance and vulnerable to food insecurity throughout the 2011 season. In the coming days, on April, 26th the gubernatorial and state assembly elections will take place. More people are likely to be displaced, increasing food assistance needs. The violence also hampered access to market, disturbed market transactions, and increased traders' speculation. These combined factors led to vegetable price increases of as much as 50 percent in early April compared to March, in Kano and Kaduna. These impacts are likely to be short-lived, as the violence is expected to end.

From May to August, cereal price trends will depend on the progress of the rainy season, traders' behavior (particularly in response to progress of the rains), and demand for cereals from Niger. Nigerian Meteorological Agency (NIMET) and the National Oceanographic and Atmospheric Administration (NOAA) still expect the season to start normally in most parts of the north central in May and in June in the extreme north. According to NOAA and the European Center for Medium-Range Weather Forecasts (ECMWF), above average rainfall in the Gulf of Guinea and across Nigeria is likely, except in the northeast region, where rainfall is expected to be below average but starting normally in June. Given current favorable rainfall predictions, the season will be favorable to normal price changes in most parts of the country. Demand from Niger may be delayed until July, instead of June, due to the high cereal production in Niger last year and expectations of average to above-average rains this year. Over the next coming months, during the May to August period, prices will continue to increase normally, according to seasonal patterns. Significant changes in transport costs due to price spikes on the international market or locally could change this outlook by raising the cost of transporting food more than expected.

Fears surrounding the current conflict and the Jos crises have restrained the pastoralists' normal movement. Pastoral households moved, as is normal this time of year, and concentrated in larger numbers than usual around the Lake Chad area, in Borno state and Sokoto-Rima valley, in Sokoto, where pasture and water are available. The high concentration of pastoralists in the irrigation schemes will lead to early exhaustion of pastoral resources, below-average livestock body condition and possibly below average livestock prices. Livestock market supply, particularly for small ruminants is likely to be above average with this high concentration of animals, particularly in April/May, when poor farming households sell small ruminants in May/June to procure seeds and fertilizer as the season approaches, increasing market supply.

Prices for small ruminants in Maiduguri market almost doubled between December 2010 and March 2011 due to a ban on livestock exports from Chad. As the export ban was informally relaxed at the end of February/beginning March, prices for small ruminants declined to levels similar to those of December 2010. Since poor households tend to be net sellers of small ruminants, Nigerian poor households stand to have benefited significantly from the temporary spike in livestock prices. Livestock prices will continue to fall seasonably until June/July as market supplies increase, coupled with normal seasonal animal body condition depreciation due to low pastoral resources in the extreme north. Pastoral households will sell livestock normally, between June/August to access food, at seasonably declining livestock-to-cereal terms of trade through the peak of the lean season in July/August.

In the South

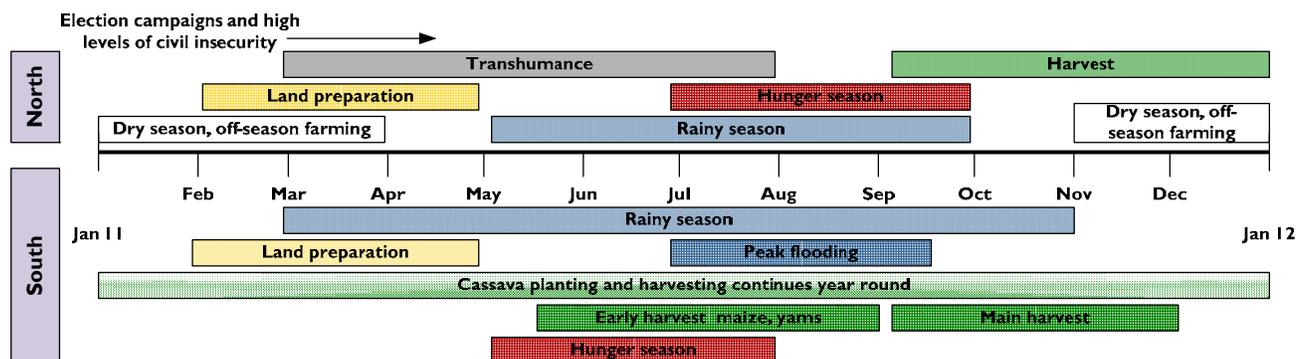
The 2011 cropping season has started throughout the south in February. Farmers are engaged in planting maize, cassava and yam, in most areas in the south. The major meteorological agencies such as NIMET, ECWMF and the International Research Institute (IRI) have predicted normal to above-normal rainfall for the entire season. In the southwest, Oyo, Lagos, Ondo and Ekiti, are expected to have above normal rainfall from May to July.

The staple food prices will peak in the few coming weeks in May, with normally low market and household food stocks in the south, particularly in the coastal states of Bayelsa, Rivers, Cross River, Akwa Ibom, compounded by the recent post election violence in the north and the lingering high diesel and resultant high transport cost. Agricultural labor opportunities will increase seasonably in May as well, reducing the impact of peak staple food prices in May. However, the marginal increased income coupled with high household expenditure on food following the complete exhaustion of their food reserve will be insufficient to offset the impact of high prices. Poor households, especially those who lost their assets to flooding/violence, will resort to indebtedness and remittances from relations to cope. Some will be moderately food insecure between April and June.

According to FEWS NET enumerators, the price of gari, the major staple food for the poor has increased significantly to NGN 72/kg, in mid April relative to NGN 54/kg, in March, on Bodija market, in Oyo state. The April price of gari, in that market, is higher than last year's price of NGN 59/kg in April. The price of gari is likely to continue rising due to abnormally high demand during the lean season. Prices of other substitutes such as yam and maize are similarly high for this period of the year. To meet their basic food requirements poor households will depend on debts and atypical migration. They will remain in moderate food security category in April/June.

The lean season, may be compounded this year, by high transport costs due to persistent high diesel price since February and the post election violence, which will hamper food flow to the south from the northern surplus markets. Resupply of southern markets, experiencing normal lean period low food supply in yam, sorghum and maize will be hampered, if the violence persists. The lean season is likely to be abnormally difficult for the poor if the civil insecurity persists.

Seasonal Calendar and critical events



Source: FEWS NET