NIGERIA Food Security Outlook Update August 2022

High input prices, conflict, restricted income, and widespread flooding will likely reduce harvest prospects

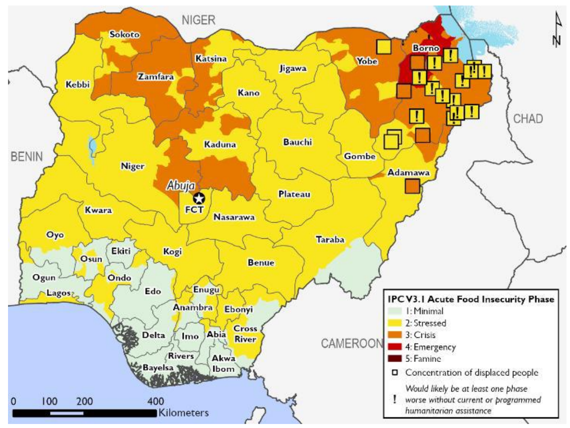
KEY MESSAGES

- Poor macroeconomic conditions persist, even as the global oil prices remain high. Nigeria's foreign exchange reserve remains low and unstable, with annual inflation rising for the sixth consecutive month to 19.64 percent in July, while the Nigerian Naira continues to weaken against foreign currencies. Staple food prices remain significantly higher than average across the country, limiting food access. Additionally, high fuel prices continue to drive up already high transportation and production costs. Food prices are expected to remain high through the start of the harvest in September.

- Conflict continues to escalate in the northwest and central states. Insecurity from conflict continues to limit income and livelihood activities while driving further displacements within the regions. According to IOM, about 14,600 people were displaced between late June and early August in Benue, Niger, Kaduna, Katsina, Plateau, Sokoto, and Zamfara states. Low household engagement in ongoing rainy season activities is limiting household income. Purchasing power is further weakened by atypically high staple food prices. While the harvest is likely to mitigate some consumption deficits, Crisis (IPC Phase 3) outcomes will likely persist through January 2023.

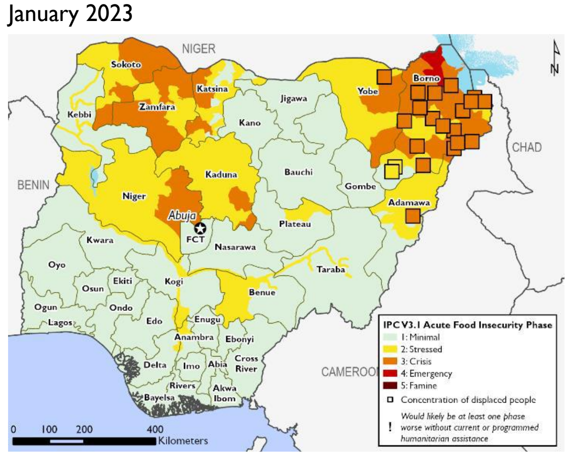
- In the northeast, the scale of conflict has remained similar to 2021. Household engagement in the agricultural season has increased relative to 2021, though remaining lower than the pre-conflict period. Emergency (IPC Phase 4) outcomes are expected in inaccessible areas of the northeast, with widespread Crisis (IPC Phase 3) expected in most areas of the northeast until the harvest. The harvest is expected to drive some improvements in food security; however, displaced and conflict-affected households whose participation in the agricultural season has been limited are expected to remain in Crisis (IPC Phase 3) and Emergency (IPC Phase 4) through at least January 2023.

Projected food security outcomes, August to September 2022



Source: *FEWS NET*

Projected food security outcomes, October 2022 to January 2023



Source: *FEWS NET*

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- Heavy rainfall and water releases from dams in August, particularly in the northern areas, have led to high water levels in local rivers and ponds and flooding in several places. Consequently, infrastructure, including bridges, farmlands, livestock, and houses, has been damaged, displacing populations in affected areas. These households had to relocate to safer areas and stay in government buildings, while others sought shelter with relatives and friends. Meanwhile, in the southern areas of the country, dry spells—usually referred to as August Break—is underway in southern states, though with minimal impact on crop growth and development.

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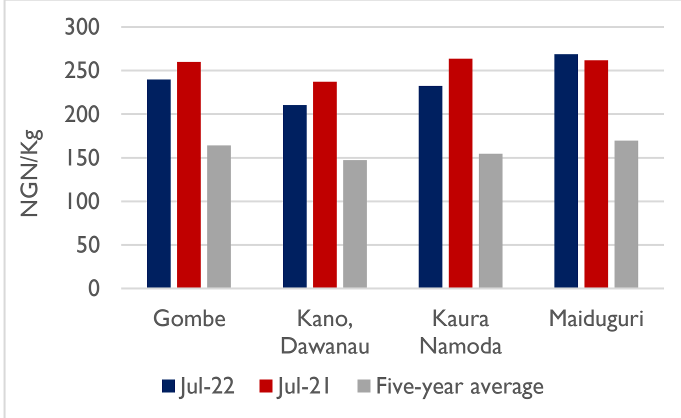
CURRENT SITUATION

According to ACLED, in early to mid-2022, the level of conflict nationally is higher than during the same periods since 2019, with conflict events occurring in 29 out of 37 states. In the northwest and central states, conflict is at high levels, with an increasing frequency of attacks in urban areas, notably in Katsina and Zamfara states. In the southeast, conflict associated with the upcoming 2023 elections is increasing, with more conflict events occurring from January to mid-August 2022 than in 2021. While conflict in 2022 is rising in most of the country, conflict is somewhat stable, remaining at similar levels in 2022 as in 2021. In early August, localized attacks occurred in Gwoza, Magumeri, Mobbar, Konduga, and Gubio LGAs in Borno state, as well as in Gujba LGA in Yobe state. Similarly, the military has also sustained intense operations against the insurgents in the northeast, liberating inaccessible populations across affected areas.

Figure 1. Maize price trend across major markets in July 2022



Source: *FEWS NET*

Due to the conflict, households continue to be displaced in much of the country, with some returning to their area of origin in the Northeast. According to IOM, during the first week of August, over 1,500 people were displaced due to conflict in Katsina and Kaduna states. While the full scale of displacement is not well understood in the northwest, northcentral, and southeast states, it is likely high and increasing. In the northeast, IOM indicated in July that over 2.4 million people were displaced, and nearly 2.0 million people qualified as returnees in March. The highest number of IDPs in the northeast are in Jere, Monguno, Ngala, Konduga, Bama, Damboa, and Gwoza LGAs. Population return has continued due to the relatively calm security situation in the northeast. However, as of March, populations had not returned to Abadam, Guzamala, Nganzai, and Marte LGAs, likely due to continued insecurity where parts of these areas remain inaccessible to humanitarians.

The macroeconomy continues to deteriorate, with annual inflation rising for the sixth consecutive month to the highest rate since 2005. In July, the annual inflation rate was 19.64 percent, driven mainly by food inflation. Similarly, the NGN continues to lose its value on both the official and parallel markets, although the depreciation rate is higher on the parallel market. In mid-August, the NGN was trading at 420 NGN/USD on the official market, relatively similar to the same time last year. Yet, on the parallel market, the NGN depreciated by nearly 70 percent since August 2021, falling to about 700 NGN/USD in August 2022.

Despite the large-scale oil production within the country, the country mainly relies on imported oil products due to its inability to refine oil, as the four refineries within the country are not functioning. Global oil prices and decreasing foreign reserves are driving fuel price increases. Reduced forex sales further limit imports. Retail petrol prices increased by five to seven percent between June and July. High fuel prices are impacting the flow of goods, production in mechanized areas, and transportation costs.

Prices of most staple products remain elevated across the country as the lean season peaks, weakening food access for most poor households. Most staple prices continue to increase across the country during the lean season, and prices are higher in conflict-affected areas. Maize prices, which have been consistently high, remain so across the country (Figure 1). Yet, unlike most other staples that are higher than last year and average, maize prices are lower than the same time last year across many markets. Maiduguri is experiencing a higher maize price than last year, mainly due to the restricted flow of foods and high market demand as the conflict persists in the area.

Livestock prices across monitored markets remain elevated in July. In Shinkafi LGA, Zamfara state, insecurity caused by the conflict has led to road closures and transportation difficulties that have affected market supplies and commodity prices. High transaction costs and limited market supply in August have created favorable cereal to livestock terms of trade for pastoralists.

In August, rainfall has been somewhat favorable across the country, with farmers engaged in weeding and pest, herbicide, and fertilizer application. Rainfall usually peaks around August, and recent high cumulative rainfall is well distributed temporally and spatially in most areas of the country. The few dry days this month have occurred primarily in the southern states, as is typical, with little to no impact on seasonal production. Crop growth and development is normal across much of the country.

Seasonal heavy rainfall has led to flooding in Jigawa, Kano, Sokoto, Yobe, Borno, Zamfara, Gombe, Adamawa, Lagos, and Ebonyi states, causing population displacement and damage to infrastructure, farmlands, and houses. Communities in Bama LGAs in Borno State were displaced, including those in Banki, where IDPs were displaced due to destroyed shelters and the fear of more flooding from anticipated water releases from a dam in Cameroon. Similarly, communities in Yobe state were cut off as a bridge collapsed in Gulani local government.

The green harvest of maize, potatoes, groundnut, and yams has started at below-average levels. This is due to persisting conflict and atypically high cost of inputs such as improved seeds, herbicides, and fertilizers.

Access to income from agricultural labor remains lower than average due to increased competition from excess supply. Income from petty trade, unskilled labor work, water hawking, and firewood sales are also below average. Most households are mainly engaged in own crop production and invest their resources in said crop production. Thus, poor households earn little from non-agricultural labor work.

Livestock movement from the southern areas to homesteads in the north concludes in August. Both movements and the number of livestock migrating have been below average due to government bans to open grazing space in some southern areas. Many pastoralists are staying in northern areas less affected by the conflict to avoid cattle rustling, banditry, and kidnapping. The pastoralists have access to pastoral resources, and livestock body conditions are favorable.

Funding constraints continue to limit humanitarian food assistance in the northeast. In July 2022, about 1.6 million people were reached by the humanitarian actors in Borno, Adamawa, and Yobe states, with over one million of the beneficiaries in Borno State, while 468,395 and 84,529 beneficiaries were from Yobe and Adamawa states, respectively. The Borno state government has also provided support to households in need of assistance, such as those affected by floods in the state.

The Humanitarian Situation update in July from the Task Force on Inaccessible areas found the Global Acute Malnutrition rate within Critical (GAM 15 to 29.9 percent) levels, indicative of Emergency (IPC Phase 4) outcomes. This is likely attributed to difficult access to food, poor water and sanitation, and poor health conditions, leading to high levels of disease. New arrivals from Bama LGA have 'extremely critical' levels of acute malnutrition, while Askira Uba, Dikwa, and Gwoza LGAs have levels of acute malnutrition indicative of 'critical' levels.

UPDATED ASSUMPTIONS

The assumptions used to develop FEWS NET's most likely scenario for the Nigeria Food Security Outlook for June 2022 to January 2023 remain unchanged.

PROJECTED OUTLOOK THROUGH JANUARY 2023

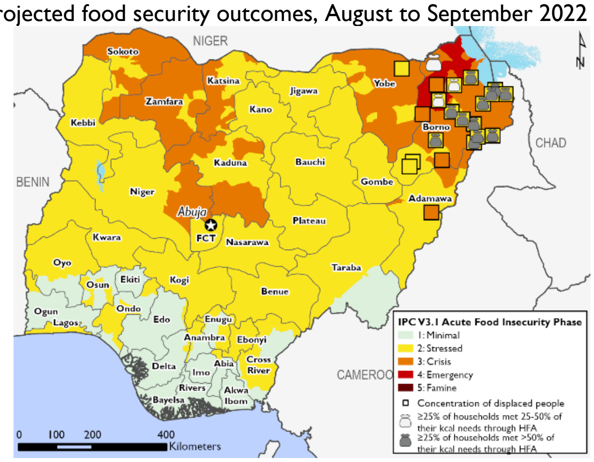
The most conflict-affected households are in the northeast and remain inaccessible to humanitarian actors, mainly in parts of Borno state, and will likely continue to face wide food consumption gaps. These households have restricted access to markets and are primarily dependent on wild food consumption, limited bartering, and begging for food and therefore are facing Emergency (IPC Phase 4) outcomes. Displaced populations in camps across the northeast are facing Stressed! (IPC Phase 2!) as they rely on humanitarian assistance. However, assistance delivery for the IDPs in camps is expected to decline and be lower than typical starting in October due to funding constraints. As a result, Crisis (IPC Phase 3) outcomes are expected in IDP camps in late 2022. Most conflict-affected households outside urban areas in the northeast will remain displaced with restricted purchasing power and will most likely face Crisis (IPC Phase 3) outcomes throughout the scenario period.

In areas most affected by conflict in the northwest and northcentral states, poor households will continue to be market dependent for food with limited income opportunities, notably among displaced households. Coupled with the atypical staple food prices, most households are likely to experience Crisis (IPC Phase 3) outcomes. Within these areas, the households most affected by conflict, mainly in difficult-to-access areas, are completely market reliant and face extreme difficulty purchasing market foods. They are facing significant food consumption gaps coupled with high malnutrition rates, which is anticipated to lead to Emergency (IPC Phase 4) through at least January 2023.

MOST LIKELY FOOD SECURITY OUTCOMES AND AREAS RECEIVING SIGNIFICANT LEVELS OF HUMANITARIAN ASSISTANCE*

Each of these maps adheres to IPC v3.0 humanitarian assistance mapping protocols and flags where significant levels of humanitarian assistance are being/are expected to be provided. indicates that at least 25 percent of households receive on average 25–50 percent of caloric needs from humanitarian food assistance (HFA). indicates that at least 25 percent of households receive on average over 50 percent of caloric needs through HFA. This mapping protocol differs from the (!) protocol used in the maps at the top of the report. The use of (!) indicates areas that would likely be at least one phase worse in the absence of current or programmed humanitarian assistance.

Projected food security outcomes, August to September 2022



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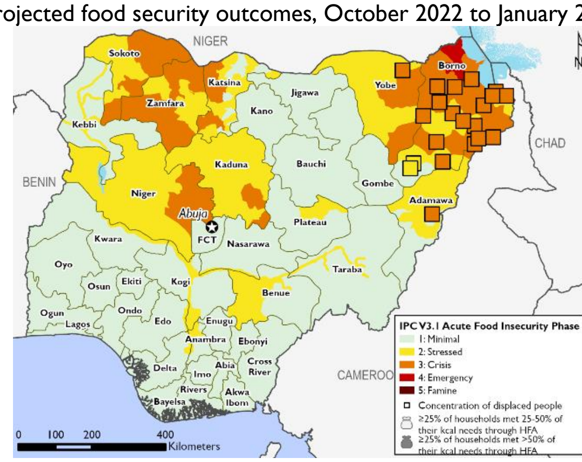

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ABOUT THIS UPDATE

This report covers current conditions as well as changes to the projected outlook for food insecurity in this country. It updates the FEWS NET's Food Security Outlook, which is published three times per year. Learn more about our work here.