



NIGERIA

Borno and Yobe States Market Monitoring Report

July 2017-ISSUE 6

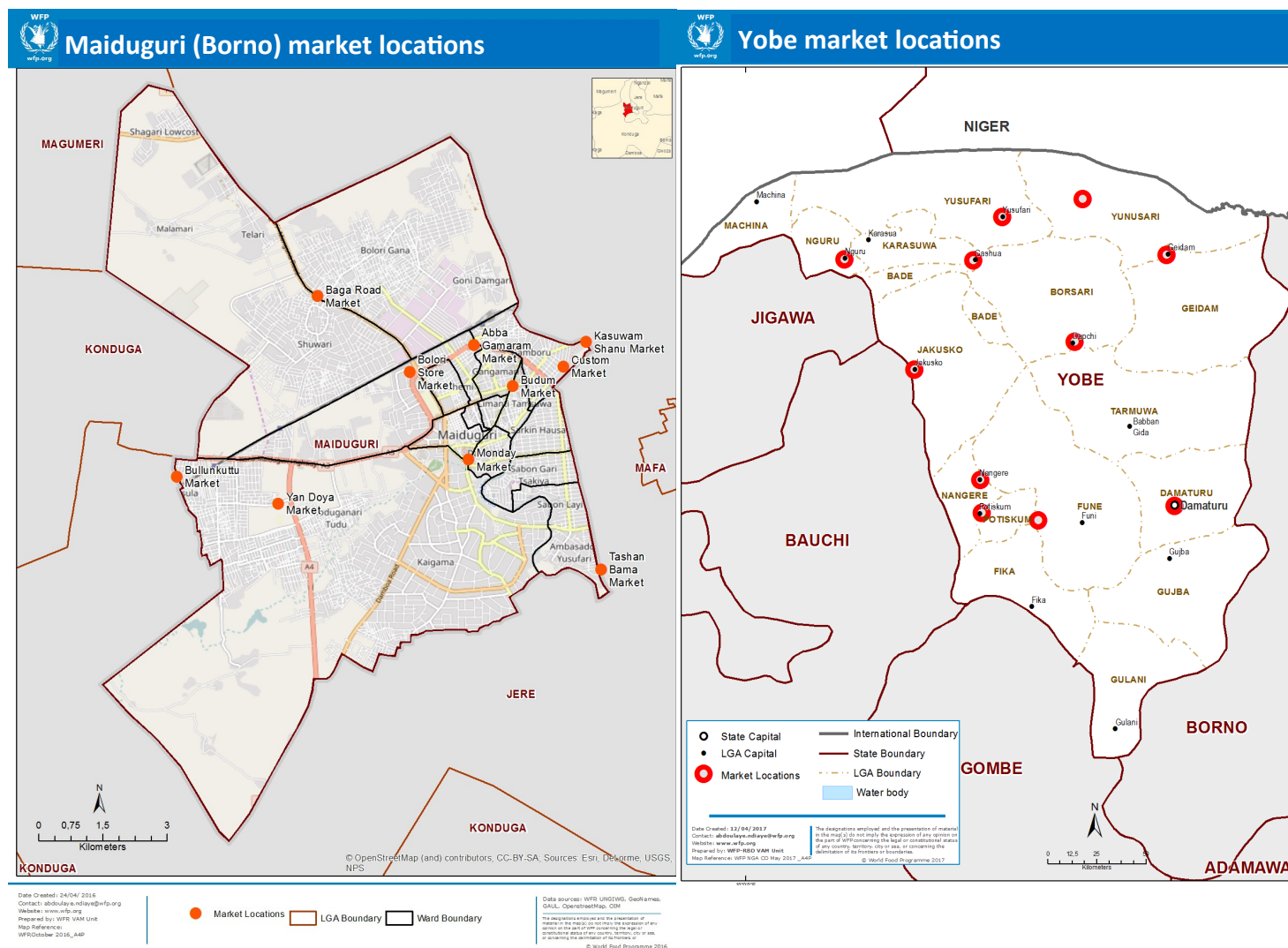
Highlights

- The continuing stability in the value of the Naira against major foreign currencies over the past four months, along with the slight decline in inflation (16.25% in June and 16.1% in July) most likely contributed to price stability for some imported food commodities such as rice.
- While the prices of local and imported rice remained stable in most monitored markets in Borno and Yobe States during the past three months, the price of red beans continued to increase across several markets in these two states, potentially hampering food access for vulnerable and market-dependent households. The increasing price of red beans has been attributed to seasonal decline in market availability of the commodity as current inflows have been affected by production decline from the previous year.
- Maize price increased by a range of 14.3 percent and 45.5 percent in the monitored markets of Borno State, heightening pressure on the purchasing power of households while the largely stable or declining price of maize in the markets of Yobe State likely boosted access to the grain among food-purchasing households.
- Despite the decline/stability in the prices of some food commodities at the height of the lean season, the prices of most staple food commodities are generally expected to remain well above average in both Borno and Yobe States during the rest of the lean season months of August and September.

Introduction

This monthly bulletin provides information on prices of food commodities and the changes in the prices of staples in Borno and Yobe states. Staples contribute 40 – 80 percent of energy intake for the most vulnerable population groups in the Borno and Yobe. Therefore, even a small increase in staple food prices has a high impact on overall food consumption, especially when the food basket is composed of the more common staples such as rice, maize and beans. To this end, WFP Nigeria Country Office is implementing a bi-weekly market monitoring system in 11 markets in Yobe State and in 8 main markets within Maiduguri and Jere Local Government Areas (LGAs) of Borno State to highlight the impact of market trends on households' access to food. In Borno State, the monitored markets include Monday market, Abbaganaram, Budum, Kasuwan Shanu, Bullumkutu, Baga Road, Tashan Bama, Custom market, Yan Doya and Bolori Stores. In Yobe State on the other hand, Damaturu, Bursari, Fune, Potiskum, Jakusko, Geidam, Yunusari, Yusufari, Bade, Nguru, Nangere markets are monitored (Figure 1).

Figure 1 Market price monitoring locations in Borno and Yobe States



Food basket monitoring

In June the Harmonization Committee of the Food Security Sector Working group recommended a new food basket which will serve as a basis for the calculation of a new transfer value. As in Table, the food basket items include, rice, maize, beans, palm oil, groundnuts, sugar, groundnut/vegetable oil, salt and onion. The resulting transfer value of 70% of the food basket is 17,355.45 Naira in Maiduguri and 17,424.75 Naira in Yobe. The recommendation of the new transfer value is based on findings by Save the Children that very poor and poor IDP households in urban areas such as Maiduguri and Damaturu are able to cover some portion of their food needs.

Table 1: Transfer value calculated for 5 household members in Maiduguri markets for one month

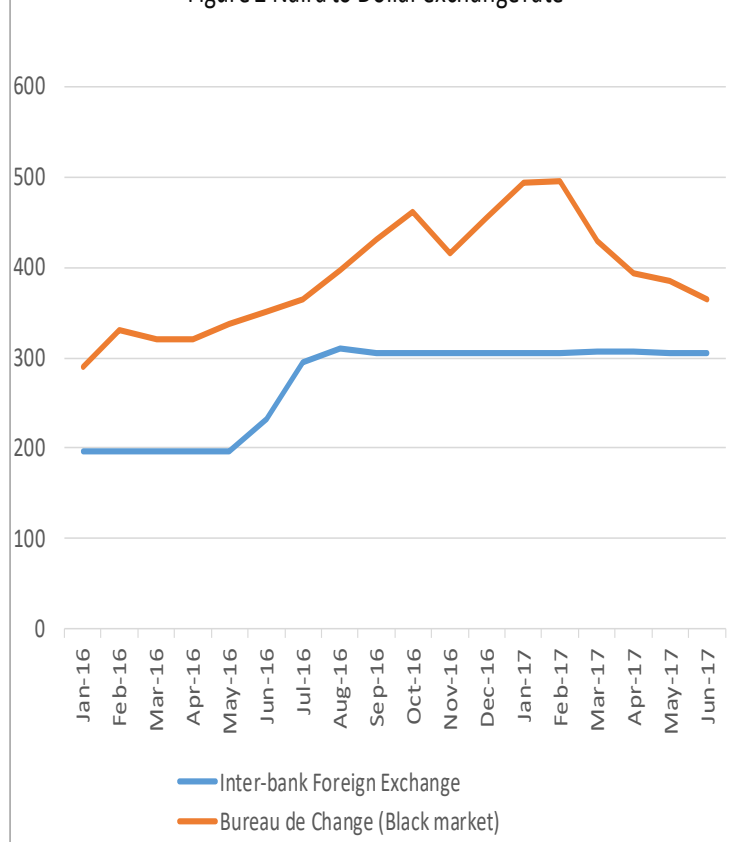
HOUSEHOLD SIZE			5			Price/kg- Naira (MPM)	Price/HH/month - Naira
Food Item	gms/day/pp	Kc/day/pp	gms/HH/day	gms/HH/month	kg/HH/month		
Rice	150	540	750	22,500	22.50	470	10,575
Millet	0		0	0	0.00		0
Maize	250	913	1250	37,500	37.50	170	6,375
Beans	75	255	375	11,250	11.25	365	4,106
Palm oil	10	88	50	1,500	1.50	403	605
Groundnut	15	85	75	2,250	2.25	395	889
Sugar	10	39	50	1,500	1.50	550	825
G/nut oil/Veg Oil	20	177	100	3,000	3.00	408	1,224
Salt	5	0	25	750	0.75	100	75
Onion	8	3	40	1,200	1.20	100	120
Total		2,100					N 24,793.50
Cost food basket at 70%:	70%	1,470					N 17,355.45
Per capita based on 70% transfer value							N 3,471.09

In Yobe State, the cost of the was also calculated with market prices from Damaturu market (Table 2). The transfer value calculated for 70% of the daily food needs of a 5-person household for one month is 17,424.75, which is slightly higher than that of Maiduguri.

Table 2: Transfer value calculated for 5 household members in Damaturu markets for one month

HOUSEHOLD SIZE			5				
Food Item	gms/day/pp	Kc/day/pp	gms/HH/day	gms/HH/month	kg/HH/month	Price/kg- Naira (MPM)	Price/HH/month - Naira
Rice	150	540	750	22,500	22.50	430	9,675
Millet	0		0	0	0.00		0
Maize	250	913	1250	37,500	37.50	170	6,375
Beans	75	255	375	11,250	11.25	360	4,050
Palm oil	10	88	50	1,500	1.50	635	953
Groundnut	15	85	75	2,250	2.25	300	675
Sugar	10	39	50	1,500	1.50	470	705
G/nut oil/Veg Oil	20	177	100	3,000	3.00	700	2,100
Salt	5	0	25	750	0.75	160	120
Onion	8	3	40	1,200	1.20	200	240
Total		2,100					N 24,892.50
Cost food basket at 70%:	70%	1,470					N 17,424.75
Per capita based on 70% transfer value							N 3,484.95

Figure 2 Naira to Dollar exchange rate



Currency depreciation

The Central bank sustained its effort at ensuring exchange rate stability through interventions and implementation of policies to address supply bottlenecks and enhance liquidity in the foreign exchange market. Consequently, there was improvement in the exchange rate of the naira to the US dollar. The average exchange rate of the naira at the inter-bank segment, at N305.54 per US dollar, appreciated by 0.2 per cent relative to the level in the preceding month. The Central Bank of Nigeria (CBN) continued to supply foreign exchange reserves to the exchange market through weekly sales, making available more supplies of U.S. Dollars and other essential foreign currencies. This has led to the strengthening of Naira (NGN) and a narrowing the gap between official and parallel exchange rates. As a result of the pegging of the naira, the Naira appreciated by 26.2 per cent at the parallel market between February and June 2017 (Figure 2).

Price trends in Borno and Yobe

The prices of food commodities like sorghum, rice (local and imported) and maize prices remained stable or declined in the across the monitored markets in Borno and Yobe.

Prices of red beans were observed to have increased significantly against the previous month and over 3 months in the above markets in Yobe and Borno State. Furthermore, the hike in prices of peanuts (10-17%) in Borno and Yobe, might be attributed to seasonality of the commodity and reduced stock in markets as a result of production deficit.

Yobe Markets Monitoring Update						July 2017						
Market	Commodity	Current price	% Change in current price		Degree of change		Market	Current price	% Change in current price		Degree of change	
			1 Month	3 Months	1 Month	3 Months			1 Month	3 Months	1 Month	3 Months
Potiskum	Peanuts (1.25 Kg)	375	-11.8%	7.1%	↓	→	Nguru	375	0.0%	0.0%	→	→
	Maize flour (1.25 Kg)	210	-6.7%	5.0%	↓	→		210	5.0%	5.0%	→	→
	Onion (Grams)	50	100.0%	-50.0%	↑	↓		50	100.0%	-66.7%	↑	↓
	Palm oil (Litre)	625	25.0%	-10.7%	↑	↓		575	-17.9%	-28.1%	↓	↓
	Red beans (1.25 Kg)	475	11.8%	18.8%	↑	↑		475	18.8%	18.8%	↑	↑
	Imported rice (1.25 Kg)	540	2.9%	-1.8%	→	→		525	-4.5%	16.7%	→	↑
	Local rice (1.25 Kg)	435	2.4%	-3.3%	→	→		400	-11.1%	-5.9%	↓	→
	Vegetable oil (Litre)	700	7.7%	-12.5%	↑	↓		500	-23.1%	-33.3%	↓	↓
	Yam (1 tuber)	600	140.0%	0.0%	↑	→		525	5.0%	16.7%	→	↑
Damaturu	Peanuts (Kg)	375	7.1%	-6.3%	↑	→	Geidam	365	4.3%	4.3%	→	→
	Maize flour (Kg)	210	-6.7%	-6.7%	↓	→		210	5.0%	5.0%	→	→
	Onion (Grams)	50	0.0%	-37.5%	→	↓		50	0.0%	-37.5%	→	↓
	Palm oil (Litre)	725	11.5%	3.6%	↑	↓		750	7.1%	7.1%	↑	→
	Red beans (Kg)	475	18.8%	18.8%	↑	↑		450	20.0%	12.5%	↑	↑
	Imported rice (Kg)	525	-12.5%	-4.5%	↓	→		510	-7.3%	2.0%	↓	→
	Local rice (Kg)	425	-5.6%	0.0%	↓	→		410	-3.5%	-8.9%	→	→
	Vegetable oil (Litre)	700	0.0%	-17.6%	→	↓		700	16.7%	0.0%	↑	→
	Yam (1 tuber)	525	61.5%	-12.5%	↑	↓		600	140.0%	-14.3%	↑	↓
Yusufari	Peanuts (Kg)	375	7.1%	-6.3%	↑	→	Yunusari	375	-6.3%	0.0%	↓	→
	Maize flour (Kg)	210	-6.7%	-16.0%	↓	↓		225	12.5%	12.5%	↑	↑
	Onion (Grams)	50	0.0%	0.0%	→	→		50	25.0%	-28.6%	↑	↓
	Palm oil (Litre)	575	-11.5%	-11.5%	↓	↓		725	3.6%	-7.1%	→	↓
	Red beans (Kg)	475	21.8%	26.7%	↑	↑		450	20.0%	20.0%	↑	↑
	Imported rice (Kg)	550	0.0%	-8.3%	→	→		525	-4.5%	5.0%	→	→
	Local rice (Kg)	425	0.0%	-10.5%	→	↓		400	-5.9%	0.0%	↓	→
	Vegetable oil (Litre)	525	-25.0%	-25.0%	↓	↓		700	16.7%	-12.5%	↑	↓
	Yam (1 tuber)	600	71.4%	33.3%	↑	↑		575	130.0%	-36.1%	↑	↓
Price increase above normal price fluctuation						Price fluctuation is considered normal if price change is within 5% for 1 month or within 10% for 3 months						
Normal Price Fluctuation						Prices in Naira						
Price decrease below normal price fluctuation												

Maiduguri Markets Monitoring Update						July 2017						
Market	Commodity	Current price	% Change in current price		Degree of change		Market	Current price	% Change in current price		Degree of change	
			1 Month	3 Months	1 Month	3 Months			1 Month	3 Months	1 Month	3 Months
Monday market	Peanuts (1.25 Kg)	500	17.6%	17.6%	↑	↑	Bullumkutu market	440	10.0%	-2.2%	↑	↓
	Maize flour (1.25 Kg)	350	0.0%	16.7%	→	↑		250	8.7%	-16.7%	↑	↓
	Onion (Grams)	75	-25.0%	-25.0%	↓	↓		100	0.0%	0.0%	→	↓
	Palm oil (Litre)	425	0.0%	-15.0%	→	↓		405	-3.6%	-10.0%	→	↓
	Red beans (1.25 Kg)	550	15.8%	29.4%	↑	↑		405	-3.6%	-4.7%	→	↓
	Imported rice (1.25 Kg)	600	0.0%	0.0%	→	→		575	0.9%	-8.0%	→	↓
	Local rice (1.25 Kg)	460	2.2%	-1.1%	→	→		420	0.0%	-6.7%	→	↓
	Vegetable oil (Litre)	450	0.0%	0.0%	→	→		420	-4.5%	-1.2%	→	↓
	Sorghum (1.25 Kg)	250	0.0%	-16.7%	→	↓		235	0.0%	-37.3%	→	↓
Abba Ganaram	Peanuts (Kg)	400	-5.9%	-11.1%	↓	↓	Custom market	425	9.0%	1.2%	↑	↓
	Maize flour (Kg)	400	6.7%	14.3%	↑	↑		300	0.0%	-14.3%	→	↓
	Onion (Grams)	100	0.0%	0.0%	→	→		125	25.0%	25.0%	↑	↑
	Palm oil (Litre)	550	29.4%	10.0%	↑	→		400	6.7%	-20.0%	↑	↓
	Red beans (Kg)	500	5.3%	14.9%	↑	↑		440	-7.4%	-2.2%	↓	↓
	Imported rice (Kg)	600	0.0%	-5.5%	→	→		575	0.0%	-4.2%	→	↓
	Local rice (Kg)	430	-4.4%	-7.5%	→	→		425	-2.3%	6.3%	→	↓
	Vegetable oil (Litre)	425	0.0%	0.0%	→	→		425	-6.9%	6.3%	↓	↓
	Sorghum (1.25 Kg)	230	-2.1%	-11.5%	→	↓		225	-8.2%	12.5%	↓	↑
Baga Road market	Peanuts (Kg)	400	-5.9%	-5.9%	↓	→	Kasuwan Shanu	425	16.4%	0.0%	↑	↓
	Maize flour (Kg)	350	22.8%	22.8%	↑	↑		320	28.0%	-12.3%	↑	↑
	Onion (Grams)	95	-5.0%	-5.0%	→	→		100	0.0%	0.0%	→	↑
	Palm oil (Litre)	413	7.1%	-8.3%	↑	→		400	6.7%	-23.8%	↑	↓
	Red beans (Kg)	488	8.3%	14.7%	↑	↑		425	1.2%	-2.3%	→	↓
	Imported rice (Kg)	575	-4.2%	-8.0%	→	→		575	4.5%	-8.0%	→	↑
	Local rice (Kg)	440	-3.3%	-4.3%	→	→		500	17.6%	17.6%	↑	↑
	Vegetable oil (Litre)	400	-5.9%	-2.4%	↓	→		450	-2.2%	5.6%	→	↓
	Sorghum (1.25 Kg)	220	-6.4%	-41.3%	↓	↓		250	4.2%	-9.1%	→	↓
Budum market	Peanuts (Kg)	400	-9.1%	-11.1%	↓	↓	Tashan Bama	450	12.5%	12.5%	↑	↑
	Maize flour (Kg)	200	-20.0%	-42.9%	↓	↓		320	-14.7%	45.5%	↓	↑
	Onion (Grams)	100	-20.0%	0.0%	↓	→		100	0.0%	0.0%	→	↓
	Palm oil (Litre)	400	-3.6%	-20.0%	→	↓		400	0.0%	0.0%	→	↓
	Red beans (Kg)	500	8.7%	14.9%	↑	↑		550	22.2%	22.2%	↑	↑
	Imported rice (Kg)	600	1.7%	-4.0%	→	→		600	-4.0%	0.0%	→	↓
	Local rice (Kg)	430	-4.4%	-4.4%	→	→		450	0.0%	2.3%	→	↓
	Vegetable oil (Litre)	410	0.0%	8.9%	→	→		400	-11.1%	-7.0%	↓	↓
	Sorghum (1.25 Kg)	200	-13.0%	-20.0%	↓	↓		250	0.0%	-37.5%	→	↓
↑	Price increase above normal price fluctuation						Price fluctuation is considered normal if price change is within 5% for 1 month or within 10% for 3 months					
→	Normal Price Fluctuation											
↓	Price decrease below normal price fluctuation											
Prices in Naira												

Prices in Naira

Price fluctuation is considered normal if price change is within 5% for 1 month or within 10% for 3 months

Conclusion

All indications point to a possible steady rise in food prices, especially pulses and legumes as we approach the month of August, a period typically associated with higher prices. Food prices may likely have reached its peak in July, the height of the hunger season.

Against the background of seasonal decline in household food stocks and limited livelihoods/income-earning opportunities in the two states, the sustained high prices of key staples such as maize and beans is likely to further hamper the purchasing power and food access for the most vulnerable households.

While staple food prices are projected to continue to rise until newly harvested grains arrive in the market, it is likely that the ongoing humanitarian assistance to the most vulnerable population would reduce the impact of such soaring food prices on food insecure households.



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