



NIGERIA

Borno and Yobe States Market Monitoring Report

June 2017-ISSUE 5

Highlights

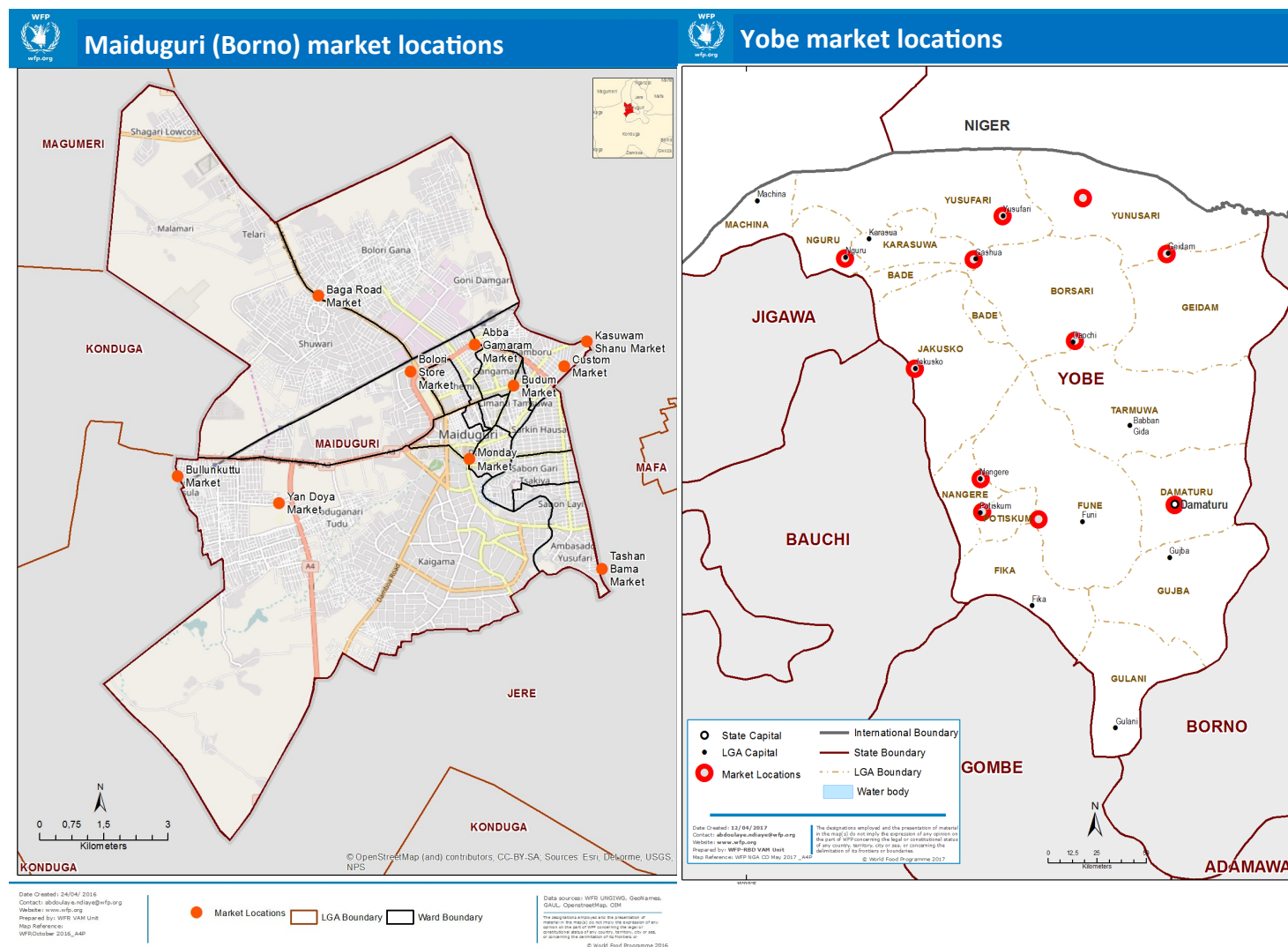
- A new food basket recommended by the Harmonization Committee of the Food Security Sector working Group which covers 70 percent of beneficiary food needs will be the basis of a new transfer value for cash transfer in urban settings. Based on prices collected in Maiduguri and Damaturu, the transfer value for these locations is 17,500 Naira for Maiduguri (Borno) and 18,000 Naira in Damaturu (Yobe). In rural areas where income earning opportunities are limited, the transfer value will cover 100 percent of food needs.
- In Borno State, the prices of palm oil and local rice are in decline while that of imported rice is mostly stable when compared to the past three months. Similarly, in Yobe State, the price of palm oil is in decline while those of imported rice and local rice are generally stable when compared to March 2017. This might be attributed to the ongoing scale of food assistance by the Government and humanitarian organizations in the North East.
- The recent decrease in prices of some staple food items could be a source of temporary relief for some food insecure households, however most households are still faced with lost livelihoods, reduced income earning opportunities and reduced purchasing power to meet their consumption needs.

Introduction

In Nigeria, some key economic indicators such as exchange rate and inflation are improving as the strengthening Naira benefits from continued supply of foreign exchange reserves to the exchange market while inflation rate between February and May 2017 decreased consecutively from 17.78 percent to 16.25 percent. The relative stability in these two indicators likely contributed to a decreasing trend in prices of all major staple food commodities in the monitored markets in Borno and Yobe States compared to the past three months. This notwithstanding, the onset of the lean season in north-eastern Nigeria, coupled with below normal market supplies and the current price level continue to hamper food access for market-dependent households with low purchasing power.

WFP Nigeria Country Office is implementing a bi-weekly market monitoring system in 11 markets in Yobe State and in 9 main markets within Maiduguri and Jere Local Government Areas (LGAs) of Borno to highlight the impact of market trends on households' access to food. In Borno State, the monitored markets include Monday market, Abbagaram, Budum, Kasuwan Shanu, Bullunkutu, Baga Road, Tashan Bama, Custom market, Yan Doya and Bolori Stores (Figure 1). In Yobe State on the other hand, Damaturu, Bursari, Fune, Potiskum, Jakusko, Geidam, Yunusari, Yusufari, Bade, Nguru, Nangere markets are monitored.

Figure 1 Market price monitoring locations in Borno and Yobe



Food basket monitoring

In June 2017, 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 1 below, the food basket items include, rice, maize, beans, palm oil, groundnuts, sugar, groundnut/vegetable oil, salt and onion. Based on findings by Save the Children that very poor and poor IDP households in Maiduguri are able to cover some portion of their food needs, the committee recommended a transfer of 17,500 Naira to cover 70% of beneficiary needs.

Table 1. Transfer value calculated for 5 household members in Maiduguri market for one month

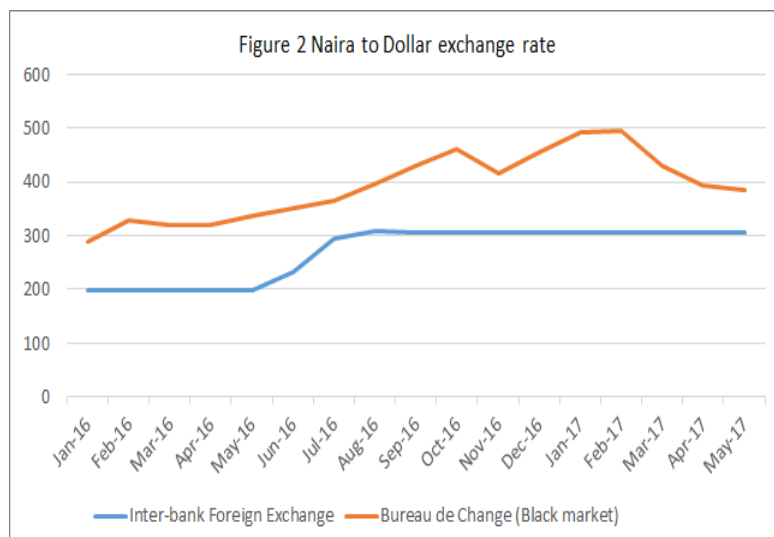
HOUSEHOLD SIZE			5				
Food Item	grams/day/person	Kc/day/person	grams/HH/day	grams/H/H/month	kg/HH/month	Price/kg- Naira (MPM)	Price/HH/month - Naira
Rice	150	540	750	22,500	22.50	481	10,823
Millet	0		0	0	0.00		0
Maize	250	913	1250	37,500	37.50	175	6,563
Beans	75	255	375	11,250	11.25	282	3,173
Palm oil	10	88	50	1,500	1.50	561	842
Groundnut	15	85	75	2,250	2.25	329	740
Sugar	10	39	50	1,500	1.50	515	773
G/nut oil/Veg Oil	20	177	100	3,000	3.00	656	1,968
Salt	5	0	25	750	0.75	150	113
Onion	8	3	40	1,200	1.20	200	240
Total		2,100					25,232.25
Cost food basket at 70%	70%	1,470					17,662.58
Per capita based on 70% transfer value							3,532.52

In Yobe State, the cost of the food basket 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 18,000 Naira, 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	grams/day/person	Kc/day/pp	grams/HH/day	grams/HH/month	kg/HH/month	Price/kg- Naira (MPM)	Price/HH/month - Naira
Rice	150	540	750	22,500	22.50	480	10,800
Millet	0		0	0	0.00		0
Maize	250	913	1250	37,500	37.50	180	6,750
Beans	75	255	375	11,250	11.25	320	3,600
Palm oil	10	88	50	1,500	1.50	650	975
Groundnut	15	85	75	2,250	2.25	280	630
Sugar	10	39	50	1,500	1.50	520	780
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	160	192
Total		2,100					25,947.0
Cost food basket at 70%:	70%	1,470					18,162.9
Per capita based on 70% transfer value							3,632.6

Currency depreciation



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. In February, the CBN also pegged the Naira at the rate of 375 to a dollar for the payment of school fees and personal travel allowances abroad. As a result, the Naira appreciated by 22.3 percent at the parallel market between February and May 2017 (Figure 2).

Price trends in Borno and Yobe

In Maiduguri markets, prices of locally produced rice sustained relative stability or decrease thanks to a bumper harvest this year and this may be attributed as well to the ongoing lean season food assistance scale-up by the Government and humanitarian organizations, currently going on in the North East. As part of its Corporate Social Responsibility (CSR) the Nigerian Ports Authority (NPA) also donated food and other relief materials to internally displaced persons in Yobe State. According to the rice production association, the rice production in Nigeria has increased from 5.5 million tonnes in 2015 to 5.8 million tonnes in 2017. This downward trend is less marked in the Yobe markets.

Maize flour exhibited mixed trends; declined by 12 percent in Kusawa Shanu market and 11 percent in Bullunkutu market, increased (9-49%) in all the other monitored market in Maiduguri, this mixed trend may be attributed to supply and transport cost, as Kasuwa Shanu and Bullunkutu markets source maize flour from within Maiduguri, while the other markets source maize flour from Biu LGA and Plateau state. In Yobe Markets, maize flour prices remained unchanged or decreased in all the monitored markets, the favourable supply conditions might be a contributing factor in Yobe state.



Maiduguri Markets Monitoring Update

Market	Commodity	Current price	% Change in current price		Degree of change	
			1 Month	3 Months	1 Month	3 Months
Monday market	Peanuts (1.25 Kg)	425	2.6%	-14.1%	→	↓
	Maize flour (1.25 Kg)	350	11.4%	6.4%	↑	→
	Onion (Grams)	100	7.7%	100.0%	↑	↑
	Palm oil (Litre)	425	-12.5%	-31.8%	↓	↓
	Red beans (1.25 Kg)	475	7.3%	5.0%	↑	→
	Imported rice (1.25 Kg)	450	-2.5%	-5.6%	↓	↓
	Local rice (1.25 Kg)	600	-0.5%	-8.3%	↓	↓
	Vegetable oil (Litre)	450	18.0%	8.2%	↑	→
	Sorghum (1.25 Kg)	250	-2.8%	11.6%	↓	↑
Abba Gamaram	Peanuts (Kg)	425	3.0%	10.4%	→	↑
	Maize flour (Kg)	375	11.9%	87.5%	↑	↑
	Onion (Grams)	100	14.3%	0.0%	↑	→
	Palm oil (Litre)	425	-5.0%	-19.0%	↓	↓
	Red beans (Kg)	475	14.5%	18.8%	↑	↑
	Imported rice (Kg)	450	2.0%	4.7%	→	→
	Local rice (Kg)	600	-1.8%	-5.5%	↓	↓
	Vegetable oil (Litre)	425	27.3%	-5.6%	↑	↓
	Sorghum (1.25 Kg)	235	-8.3%	6.8%	↓	→
Baga Road market	Peanuts (Kg)	425	25.0%	-2.3%	↑	↓
	Maize flour (Kg)	285	17.8%	14.0%	↑	↑
	Onion (Grams)	100	0.0%	0.0%	→	→
	Palm oil (Litre)	385	-18.1%	-26.7%	↓	↓
	Red beans (Kg)	450	12.5%	12.5%	↑	↑
	Imported rice (Kg)	455	0.2%	0.0%	→	→
	Local rice (Kg)	600	-3.2%	-6.3%	↓	↓
	Vegetable oil (Litre)	425	0.7%	-7.6%	→	↓
	Sorghum (1.25 Kg)	235	-15.5%	6.8%	↓	→
Budum market	Peanuts (Kg)	440	8.1%	6.7%	↑	→
	Maize flour (Kg)	250	9.4%	100.0%	↑	↑
	Onion (Grams)	125	34.6%	-100.0%	↑	↓
	Palm oil (Litre)	415	-12.0%	-28.6%	↓	↓
	Red beans (Kg)	460	4.9%	5.9%	→	→
	Imported rice (Kg)	450	5.0%	-11.1%	↑	↓
	Local rice (Kg)	590	-4.0%	-4.0%	↓	↓
	Vegetable oil (Litre)	410	6.3%	0.0%	↑	→
	Sorghum (1.25 Kg)	230	-0.9%	-100.0%	↓	↓

Price increase above normal price fluctuation
 Normal Price Fluctuation
 Price decrease below normal price fluctuation

Prices in Naira

June 2017

Market	Current price	% Change in current price		Degree of change	
		1 Month	3 Months	1 Month	3 Months
Bullunkutu market	400	11.6%	17.3%	↑	↑
	230	-12.1%	11.1%	↓	↑
	100	0.0%	25.0%	→	↑
	420	-8.4%	-23.1%	↓	↓
	420	5.0%	8.2%	→	→
	420	-2.3%	0.0%	↓	→
	580	-1.4%	-5.6%	↓	↓
	440	1.9%	-5.7%	→	↓
	235	-17.3%	9.5%	↓	→
Custom market	390	-3.3%	0.0%	↓	→
	300	9.8%	-25.8%	↑	↓
	100	9.1%	0.0%	↑	→
	375	-21.6%	-20.0%	↓	↓
	475	14.0%	-1.2%	↑	↓
	435	5.2%	-3.4%	↑	↓
	575	2.1%	-3.3%	→	↓
	435	-0.4%	-7.4%	↓	↓
	245	12.2%	6.8%	↑	→
Kusawam Shanu	365	-11.7%	-8.2%	↓	↓
	250	-11.8%	27.7%	↓	↑
	100	20.0%	100.0%	↑	↑
	375	-21.9%	-34.8%	↓	↓
	420	6.3%	5.6%	↑	→
	425	-2.7%	0.0%	↓	→
	550	-6.5%	-4.2%	↓	↓
	460	22.7%	-3.3%	↑	↓
	240	-0.7%	16.7%	↓	↑
Tashan Bama	400	-1.2%	13.3%	↓	↑
	375	49.0%	27.3%	↑	↑
	100	0.0%	0.0%	→	→
	400	-11.1%	-19.0%	↓	↓
	450	10.2%	18.8%	↑	↑
	450	-2.2%	12.5%	↓	↑
	625	2.7%	-1.6%	→	↓
	450	4.7%	0.0%	→	→
	250	-3.2%	11.1%	↓	↑

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

Yobe Markets Monitoring Update						June 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		
Potiskum	Peanuts (1.25 Kg)	425	17.2%	6.3%	↑	→	Nguru	375	-3.2%	-6.3%	→	→
	Maize flour (1.25 Kg)	225	-5.3%	5.9%	↓	→		200	-8.0%	0.0%	↓	→
	Onion (Grams)	25	-72.2%	-44.4%	↓	↓		25	-50.0%	-50.0%	↓	↓
	Palm oil (Litre)	250	-64.3%	-63.0%	↓	↓		350	-50.0%	-41.7%	↓	↓
	Red beans (1.25 Kg)	425	21.4%	13.3%	↑	↑		400	-3.0%	-5.9%	→	→
	Imported rice (1.25 Kg)	525	-4.5%	-4.5%	↓	→		550	4.8%	15.8%	→	↑
	Local rice (1.25 Kg)	425	0.0%	-2.9%	→	→		450	9.1%	12.5%	↑	↑
	Vegetable oil (Litre)	325	-58.1%	-56.7%	↓	↓		325	-59.4%	-56.7%	↓	↓
	Yam (1 tuber)	250	-56.5%	-37.5%	↓	↓		500	-16.7%	11.1%	↓	↑
Damaturu	Peanuts (Kg)	350	-12.5%	-12.5%	↓	↓	Geidam	350	-6.7%	-17.6%	↓	↓
	Maize flour (Kg)	225	0.0%	5.9%	→	→		200	-2.4%	0.0%	→	→
	Onion (Grams)	50	-33.3%	0.0%	↓	→		50	-9.1%	0.0%	↓	→
	Palm oil (Litre)	325	-55.2%	-53.6%	↓	↓		350	-51.7%	-50.0%	↓	↓
	Red beans (Kg)	400	0.0%	3.2%	→	→		375	-3.2%	0.0%	→	→
	Imported rice (Kg)	600	9.1%	14.3%	↑	↑		550	12.8%	0.0%	↑	→
	Local rice (Kg)	450	2.9%	12.5%	→	↑		425	0.0%	6.3%	→	→
	Vegetable oil (Litre)	350	-50.0%	-50.0%	↓	↓		300	-62.5%	-58.6%	↓	↓
	Yam (1 tuber)	325	-45.8%	-27.8%	↓	↓		250	-61.5%	-47.4%	↓	↓
Yusufari	Peanuts (Kg)	350	-6.7%	-12.5%	↓	↓	Yunusari	400	10.3%	0.0%	↑	→
	Maize flour (Kg)	225	0.0%	5.9%	→	→		200	-3.6%	0.0%	→	→
	Onion (Grams)	50	11.1%	-28.6%	↑	↓		40	-27.3%	-38.5%	↓	↓
	Palm oil (Litre)	325	-56.7%	-53.6%	↓	↓		350	-50.0%	-46.2%	↓	↓
	Red beans (Kg)	390	4.0%	0.6%	→	→		375	-6.3%	0.0%	↓	→
	Imported rice (Kg)	550	10.0%	4.8%	↑	→		550	10.0%	4.8%	↑	→
	Local rice (Kg)	425	9.7%	0.0%	↑	→		425	0.0%	0.0%	→	→
	Vegetable oil (Litre)	350	-53.3%	-53.3%	↓	↓		300	-62.5%	-58.6%	↓	↓
	Yam (1 tuber)	350	-30.0%	-26.3%	↓	↓		250	-52.4%	-44.4%	↓	↓
<div>↑ Price increase above normal price fluctuation</div> <div>→ Normal Price Fluctuation</div> <div>↓ Price decrease below normal price fluctuation</div>						<div>Price fluctuation is considered normal if price change is within 5% for 1 month or within 10% for 3 months</div>						
Prices in Naira												

↑ Price increase above normal price fluctuation
 → Normal Price Fluctuation
 ↓ Price decrease below normal price fluctuation

Prices in Naira

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

Conclusion

In most of the monitored markets in the two states, the price of imported rice has either decreased or remained stable when compared to the previous or the past three months. The decreasing price trend of imported rice is likely induced by the stability in the exchange rate for the naira. Maize price continued to increase in most markets during the past three months while the price of local rice price has either become stable or decrease in all markets during the past three months. Similarly, the price of palm oil decreased in all markets during the past three months.

Despite the relative stability in prices of several food items food security concerns remain high in most communities in Borno as the normal seasonal decline food availability at the households level has been worsened by below normal production during the past several years, coupled with extensive loss of livelihoods and reduced income earning opportunities which has constrained the purchasing power of households.



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