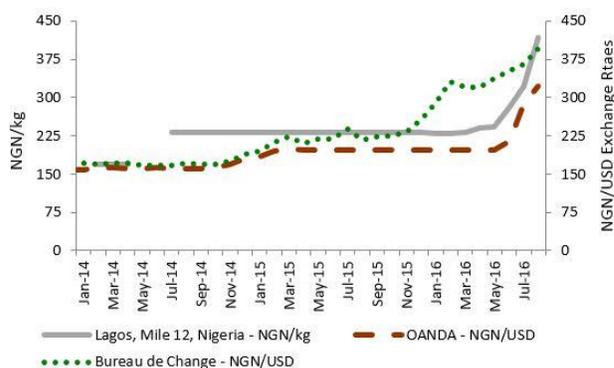


- Nigeria continues to face one of its worst economic recessions following [over a two-thirds decline](#) in oil revenues from September 2014 to July 2015. The reduction in foreign reserves has resulted in the persistent depreciation of the Naira (NGN) in heavily import-dependent Nigeria. The Interbank exchange rate was around 318.21 NGN/USD and the parallel (Bureau de Change) one reached closer to 400 NGN/USD in August, up from 203.76 and 289.78, respectively in January. And, that upward trend steadied following the Central Bank's decision to allow the Naira to float in June. The national inflation rate stabilized at around 17% according to the National Bureau of Statistics ([NBS](#)). Prices of key imported commodities like rice continued to increase and remained well above average (Figure 1).

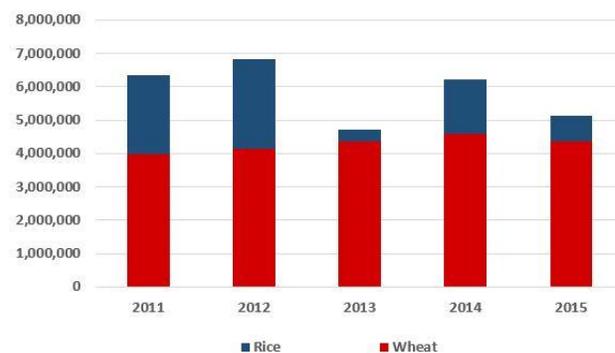
Figure 1. Nigeria imported rice price and exchange rate trends



Source: FEWS NET, Oanda, and the Central Bank of Nigeria.

- Nigeria has a structural deficit in rice and wheat, and is among the greatest international importers of these two commodities. Between 2011 and 2015, Nigeria imported on average around 1.5 million MT of rice and 4.2 million MT of wheat, and valuing about \$731.4 million and \$1.3 billion, respectively. However, the lower Naira value and low purchasing power have considerably reduced the import volumes (Figure 2). Import cargo tonnages among Nigeria's major ports have showed steady decline since 2014 (Figure 3).

Figure 2. Rice and wheat import trends (in MT)



Source: COMTRADE.

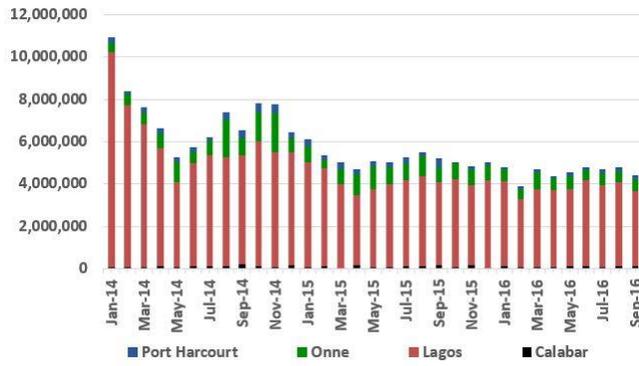
- Elsewhere in the region, cereal prices (maize) were more stable (Figure 4). In Nigeria, in contrast, ongoing inflation in addition to the lean season pushed up prices of local coarse grains by around 20-50 percent this August compared to the previous month. The average year on year price increases were between 100 and 150% (Figure 5-6). Despite the slight increase in demand for Tabaski holiday, livestock prices remained below average in many areas of the region due to the reduction in Nigeria's import demand.

- Military operations to overcome the Boko-Haram insurgency continue to limit access and humanitarian activity to a large part of Northeast Nigeria (Figure 7). Despite governmental and humanitarian efforts and push for a return to more normal state, some key markets in Borno, Yobe, and Adamawa States are still disrupted with limited or no activity (Figure 8), not only due to insecurity but also poor road conditions. Nevertheless, there have been few improvements in the resumption of activities, such as around Ngala and Gubio (Borno State), and Michika (Adamawa State).

In June 2016, FEWS NET released an alert describing the [national and regional implications of declining global crude oil prices on the Nigerian economy and subsequent currency depreciation since 2015](#). Within the context of this national economic shock, [more than 3 million people in Northeast Nigeria already face significant food insecurity due to the Boko-Haram conflict](#). The Nigeria Market Update Report provides a summary of the national macroeconomic context, market functioning and physical market access in the northeast, as well as national and regional staple food and livestock prices.

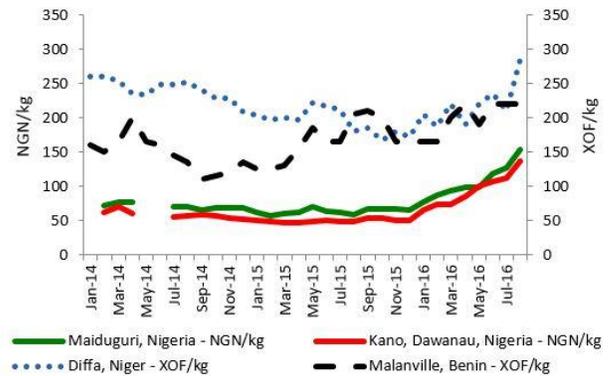
- There are good 2016/2017 harvest prospects in Nigeria, due to a general normal rainy season pattern and the use of early maturing seeds. Thus, a marginal increase in crop performance is expected compared to last year at the national level. However, there was a late onset of the rainy season and early cessation of rain in some parts of the country, and dry spells in the North. First season harvests are completing in the Southern part of the country, and harvests of early crops are starting in the North. Markets supply will start to increase gradually as more harvests continue, and there could be an ease on the pressure on market purchase by poor households due to own consumption.

Figure 3. Incoming cargo tonnages in key ports (in MT)



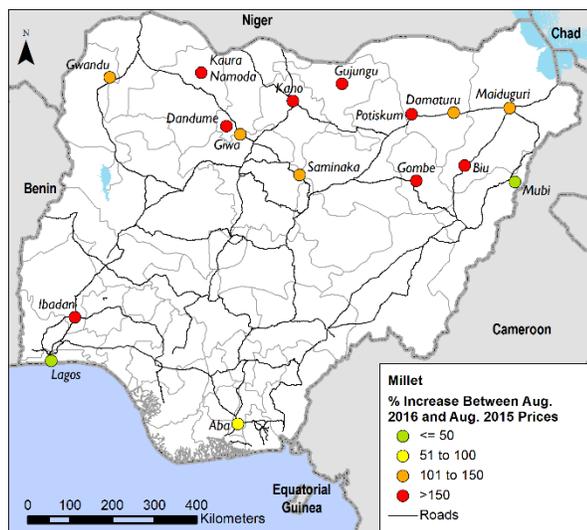
Source: FEWS NET estimates based on Fleetmon data

Figure 4. Maize prices



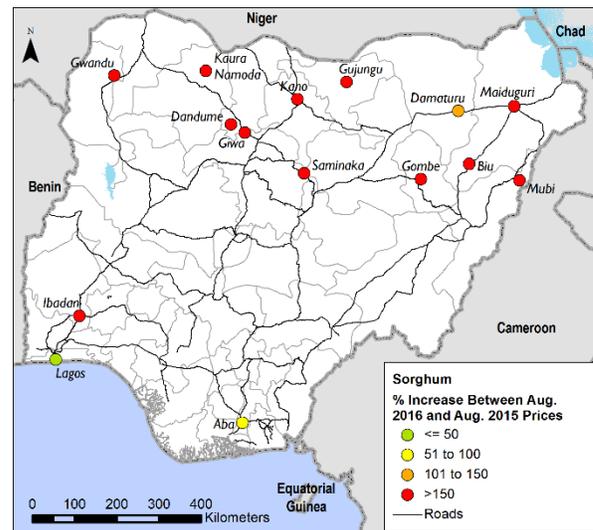
Source: FEWS NET, SIMA Niger, ONASA Benin.

Figure 5. % increase in millet prices in Nigeria from Aug 2015 - Aug 2016



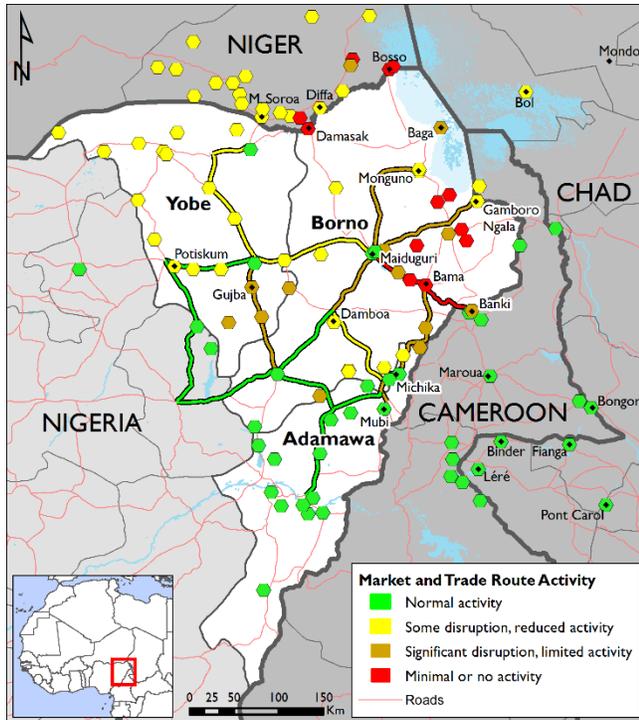
Source: FEWS NET.

Figure 6. % increase in sorghum prices in Nigeria from Aug 2015 - Aug 2016



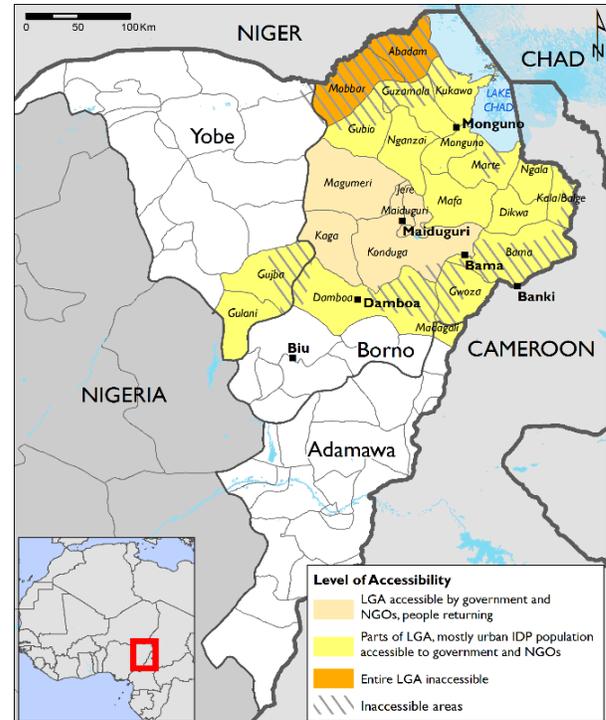
Source: FEWS NET.

Figure 7 Market functioning in Northeast Nigeria, August 2016



Source: FEWS NET.

Figure 8. LGA Access in Northeast Nigeria, August 2016



Source: FEWS NET.

Nigeria Food and Fuel Price Trends August 2016 Prices

Major markets	Current NGN/kg	% Change Over			Change over one month, one year, and 2-year avg.		
		One month	One year	2-year avg.			
Ibadan Nigeria	Gasoline NGN 145.00	0	59	54	▶	▲	▲
	Rice (5% Broken) NGN 332.78	14	93	98	▲	▲	▲
Kano Nigeria	Local milled rice NGN 289.6	2	119	120	▶	▲	▲
	Maize (White) NGN 137.51	17	187	163	▲	▲	▲
	Millet (Pearl) NGN 139.00	28	218	159	▲	▲	▲
	Sorghum (White) NGN 150.60	20	237	186	▲	▲	▲
Lagos Nigeria	Rice (5% Broken) NGN 417.36	34	81	81	▲	▲	▲
Maiduguri Nigeria	Gasoline NGN 144.40	0	49	49	▶	▲	▲
	Maize (White) NGN 153.60	27	160	138	▲	▲	▲
	Millet (Pearl) NGN 143.11	0	131	102	▶	▲	▲
	Sorghum (White) NGN 157.03	28	157	142	▲	▲	▲

The Famine Early Warning Systems Network (FEWS NET) monitors trends in staple food prices in countries vulnerable to food insecurity. The Annex provides prices and price changes for key markets and staple foods monitored across FEWS NET countries and regions. The prices are final monthly average prices. Commodities included in the Annex are the staples most often consumed by the poor in the indicated market. Additional commodities provided are important commodities consumed in the same areas or fuel prices that affect food prices. Final monthly average prices are used. The symbols (▲▶▼) depict the direction of price changes: the red upward-facing arrow denotes an increase of five percent or greater. The blue horizontal arrow denotes no change or changes that are smaller than 5 percent, and the green downward-facing arrow denotes price decreases that are five percent or greater. The three arrows respectively correspond to the percent change in prices this month compared to last month, last year, and the two-year average. The “-” symbol indicates that data are not available. The commodities with a reference (W) are wholesale prices. Otherwise, all reported prices are retail.