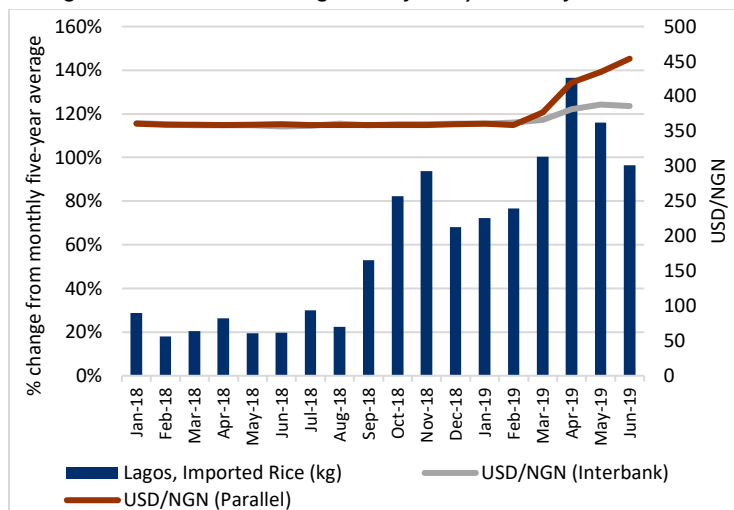


As COVID-19 pandemic drives deterioration in Nigeria's economy, assistance needs sharply increase

In Nigeria, where ongoing conflict is already resulting in high food assistance needs, the COVID-19 pandemic and measures to prevent its spread have driven needs even higher. Macroeconomic conditions have deteriorated sharply, following the drop in international oil demand, which led to a decline in revenue; the subsequent depreciation of the NGN has pushed up staple food prices. As a result of higher food prices, in combination with reduced access to income given movement restrictions, poor households are facing increased difficulty meeting their basic food needs. Furthermore, farmers' ability to engage in planting for the agricultural season was limited due to movement restrictions and contractions in household income, which reduced households' ability to purchase agricultural inputs; as such, a below-average main season harvest is expected. Overall, 6 to 7 million people will require humanitarian food assistance in Nigeria during the June to September lean season, and while food security will improve between October and December with the harvest, needs are expected to remain higher than normal. The Government of Nigeria (GoN) and humanitarian actors should plan for continued high food assistance needs through at least the beginning of 2021.

Figure 1. Change in imported rice price in Lagos from monthly five-year average and USD/NGN exchange rates, January 2018 to June 2020



Source: FEWS NET/Central Bank of Nigeria, Bureau de Change

The number of COVID-19 cases [continues to increase](#) in Nigeria, reaching 47,290 confirmed cases and 956 associated deaths across the country's 36 states and the Federal Capital Territory (FCT) as of August 11, 2020; Nigeria has recorded the second-highest number of confirmed cases in Africa, following South Africa, though on a per capita basis, the recorded cases in Nigeria are among the lowest globally. The real count is likely obscured by low testing: as of August 10, [there were only 1.55 tests administered per 1,000 people](#). According to WHO, community transmission is likely occurring. As such, the actual number of cases and spread of the disease is expected to be higher than official reports.

The GoN [began easing movement restrictions in early June](#); however, food security among poor households across Nigeria continues to be negatively impacted by the combination of measures that remain in place and a general economic slowdown, both globally and domestically. The disrupted movement of cross-state and cross-border (from Niger, Chad and Cameroon to Nigeria) migratory agriculture laborers due to movement restrictions and border closures, reportedly decreased the supply of agricultural labor in some areas of the country. In a recent national survey conducted between April and May by the [World Bank](#), households reported a sharp decrease in both agricultural and non-agricultural labor demand and wages, and a [decline in income from domestic and international remittances](#). The decline in agricultural labor demand has negatively affected incomes for many seasonal laborers and undermined progression of the main growing season by reducing critical seasonal agricultural activities. Also according to the [World Bank](#), nearly 20 percent of respondents reported cultivating less land than they typically do, with nearly 10 percent indicating that they planted fewer crops. This, in addition to the conflict in the north, is likely to lead to a below-average national main season production.

The COVID-19 pandemic has also had macro-level impacts on Nigeria, which have knock-on effects for poor households' food access. [Over 90 percent of Nigeria's export earnings](#) are from the export of crude oil, and [the decline in global crude oil prices](#) has had a notable, negative impact on the Nigerian economy. Although, since May, oil prices have slightly increased, the continued low level of oil exports and relatively lower prices per barrel has led to reduced government earnings of foreign currency and, subsequently, a depreciation of the NGN on the parallel and official markets. This has, in turn, put upward

pressure on the price of imported foods (Figure 1) and local substitutes. Across major markets, prices of staple foods increased from near average levels to 30 to 100 percent [above last year and the five-year average](#). The high food prices and decreasing incomes are reducing poor households' purchasing power, especially for those of highest concern in conflict-affected areas where prices were already higher relative to other parts of the country and among poor urban households.

While COVID-19-related restrictions have eased, many poor households are expected to continue facing difficulty meeting their basic food and non-food needs. The GoN and humanitarian actors provided humanitarian food assistance to over 3 million people in April and May; however, it is anticipated needs exceed the current delivery of assistance. Overall, 6 to 7 million people are expected to be in need of humanitarian food assistance during the current June to September lean season. Assistance needs are expected to decrease with the harvest in October; however, many poor households, including those in conflict-affected areas, are expected to remain atypically market dependent during this time given the likely below-average harvest. Continued high staple food prices and lower income during this time, driven by continued COVID-19 related economic impacts, will keep assistance needs higher than is typical during the post-harvest period. These indirect impacts of the COVID-19 pandemic are expected to further exacerbate already high food assistance needs in Nigeria, though conflict remains the primary driver of acute food insecurity in the country. Widespread Crisis (IPC Phase 3) or worse outcomes, and a risk of Famine (IPC Phase 5), persist in the northeast as a result of the ongoing conflict. The GoN and humanitarian actors should plan for continued high assistance needs through at least early 2021.