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Nigeria

Grain and Feed

Corn Situation

2007

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Report Highlights:

Nigeria had a bumper corn crop in 2006/07 season due largely to favorable weather conditions and activities under Presidential initiative to double corn production within two years. Consequently, the price of corn has dropped to a four-year low. The GON's Strategic Grain Reserve is targeting to purchase 150,000 tons of corn from the market to shore-up prices for growers. This, combined with increased demand by the breweries, is expected to push up prices significantly during 2007.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Lagos [N1]
[N1]

Executive Summary

Harvest of grains has been completed in virtually all parts of Nigeria. Field sources indicate that Nigeria recorded an above average crop. In particular, corn production increased by seven percent to about 7.5 million tons due largely to the fact that attractive prices of corn at the onset of the planting season encouraged farmers to switch from planting cotton to corn. Additionally, weather was favorable and input supply was adequate under the Presidential initiative to double corn production within two years. As a result, the price of corn has fallen to a four year low. At present, corn is sold at an average of 23,000 Naira per ton, down from a peak of 75,000 Naira per ton last year.

In the mean time, the GON's National Strategic Grain Reserve (NSGR) has concluded plans to purchase grains to shore-up prices for growers. The NSGR has commenced purchase orders to suppliers at 35,000 Naira per ton. Subject to the prompt release of Federal funds, the NSGR plans to purchase 150,000 tons of corn in 2007.

The bulk of Nigeria's corn output is directed for human consumption. The breweries and poultry industry are the major industrial users. Industry sources indicate that the breweries have commenced purchases of corn for 2007. The combined purchasing activity of the NSGR and the breweries is expected to push up prices substantially during the year. As in the past five years, the Nigerian poultry industry may be forced to turn to imported wheat for energy source in their feed rations. The price of wheat is less volatile compared to corn.

The GON continues to maintain an import ban on corn. Local sources indicate that an estimated 50,000 tons of corn is imported (unrecorded) from the Benin Republic annually.