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Report Highlights:

Imports of wheat, rice, and corn in marketing year (MY) 2024/25 are estimated to increase as the economy stabilizes, inflation decreases, and the government implements a temporary zero-duty import policy for the afore-mentioned commodities until December 31. Corn production is expected to increase by six percent in MY 2024/25 to 11.68 MMT compared to FAS-Lagos' April 2024 estimate, due to the expected increase in area harvested as high prices encourage more planting. The depreciation of the naira relative to the CFA franc is expected to continue to result in increased informal exports of corn and rice to neighboring countries, as grain traders take advantage of relatively stronger neighboring currencies.

Market Overview

The high cost of agricultural inputs, lack of finance, insecurity in producing regions, less than favorable weather conditions, and increased transportation costs continue to impact planting intentions and crop production. Producers, aggregators, and traders report that the high cost of fertilizer and other inputs have reduced good planting practices, sometimes allowing producers to apply only 50% of the required inputs for a given planted area. Additionally, lowered consumer purchasing power remains an issue, as high food and fuel prices subsist, and the government negotiates with labor unions about raising the national minimum wage. According to the Nigeria Bureau of Statistics, food inflation remained stubbornly high at 37.52% in August, down from 39.5% in July.

[On August 1, Nigerians staged protests](#) about the high cost of living. On August 14, Nigeria's Customs Service [publicly released implementation guidelines](#) that temporarily waived all import (and associated levy) taxes for rice, sorghum, millet, corn, wheat, and beans until December 31, 2024. This policy was announced in mid-July by the Minister of Agriculture to "to ameliorate food inflation in the country. The policy is expected to increase imports, however many experts have noted importers will not be able to take full advantage due to the policy's implementation uncertainty and delays.

Furthermore, the depreciation of the naira in comparison to the West and Central CFA franc continues to promote the informal export of grains from Nigeria to neighboring countries. The favorable exchange rates to West and Central Africa have encouraged traders to sell Nigerian agricultural goods outside the country to obtain CFA francs, and utilize the proceeds to purchase additional grains from Nigerian producers.

Wheat

Table 1. Wheat Production, Supply and Distribution

Wheat Market Year Begins	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Nigeria						
Area Harvested (1000 HA)	100	100	110	110	110	110
Beginning Stocks (1000 MT)	618	618	360	360	430	430
Production (1000 MT)	110	110	120	120	120	120
MY Imports (1000 MT)	4732	4732	5000	5000	5200	4700
TY Imports (1000 MT)	4732	4732	5000	5000	5200	4700
TY Imp. from U.S. (1000 MT)	743	743	0	0	0	0
Total Supply (1000 MT)	5460	5460	5480	5480	5750	5250
MY Exports (1000 MT)	400	400	350	350	380	410
TY Exports (1000 MT)	400	400	350	350	380	410
Feed and Residual (1000 MT)	0	0	0	0	0	0

FSI Consumption (1000 MT)	4700	4700	4700	4700	4900	4400
Total Consumption (1000 MT)	4700	4700	4700	4700	4900	4400
Ending Stocks (1000 MT)	360	360	430	430	470	440
Total Distribution (1000 MT)	5460	5460	5480	5480	5750	5250
Yield (MT/HA)	1.1	1.1	1.0909	1.0909	1.0909	1.0909

(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Wheat begins in July for all countries. TY 2024/2025 = July 2024 - June 2025

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

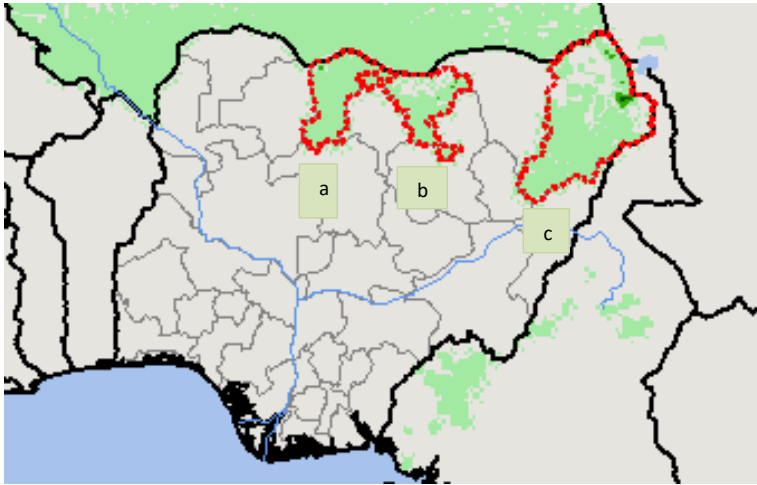
Production

Production for MY 2024/25 is estimated at 120,000 metric tons (MT) unchanged from the prior year estimate (Table 1). Despite government efforts to increase production, this unchanged estimate is attributed to ongoing insecurity in wheat producing areas, high fertilizer and seed prices, and broad-based cost of living increases affecting farmer planting decisions.

According to contacts, producers have been displaced from cultivated lands, forced to pay for protection, and had their harvests taxed from extralegal actors. Nigeria’s major wheat producing state of Borno has been affected by insecurity and flooding, which displaced farmers and disincentivized planting intentions (Figure 1). Wheat farmers equally grow rice and wheat in northern Nigeria, two soil exhaustive cereal crops that can lead to depletion of soil nutrients if not properly managed. According to contacts, wheat farmers are unable to rotate their crops or leave the land fallow to regain nutrients, due to the shrinking availability of secured lands. Some farmers are likely to apply excess fertilizer on these limited lands in a bid to boost yields which is not only expensive but has a detrimental effect on soil health.

According to sources, wheat yields in March 2024 fell due to higher than anticipated temperatures and inadequate cooler weather during the harmattan season from November through January (Figure 2). Additionally, the government’s subsidy allotment to farmers has not increased in relation to the cost of imported fertilizer and seeds, while the naira lost value from ~460 naira/\$1 in June 2023 to ~1500 naira/\$1 in June 2024. Producers reported that input subsidies were expected to cover less than 50% of the land than they did the prior MY.

Figure 1. Primary Wheat Producing States



a- Jigawa (17% of total wheat production)

b- Katsina (7% of total wheat production)

c- Borno (67% of total wheat production)

Source: [USDA FAS International Production Assessment Division](#)

Figure 2. Nigeria's Wheat Crop Calendar

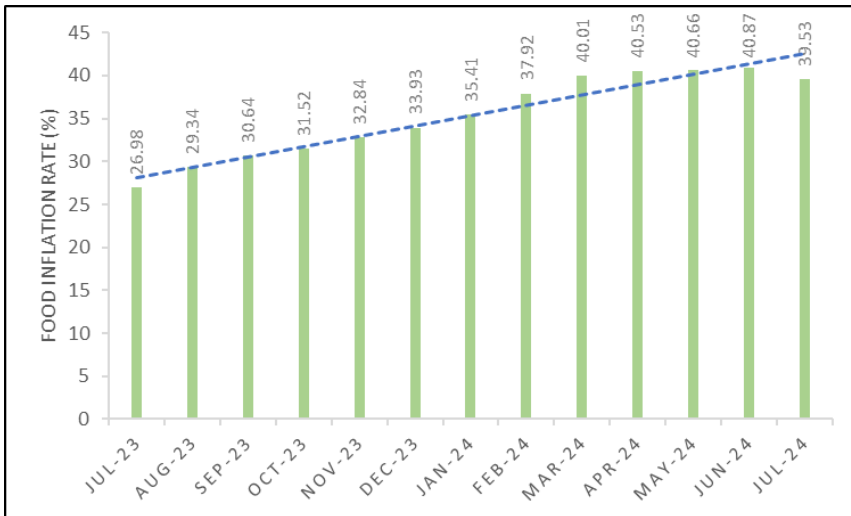


Source: [USDA FAS International Production Assessment Division](#)

Consumption

FAS-Lagos estimates consumption in MY 2024/25 to increase about five percent to 4.4 MMT compared to [Post's April 2024 forecast](#) of 4.2 MMT. Consumption remains depressed by macroeconomic challenges and lower consumer spending. The country's food inflation rate stood at 39.5% in July (Figure 3). According to the latest NBS report released in September, food inflation decreased to 37.52% in August on a year-on-year basis. Wheat flour and bread prices have continued to increase over the past 12 months (Figure 4) while wages have largely remained unchanged.

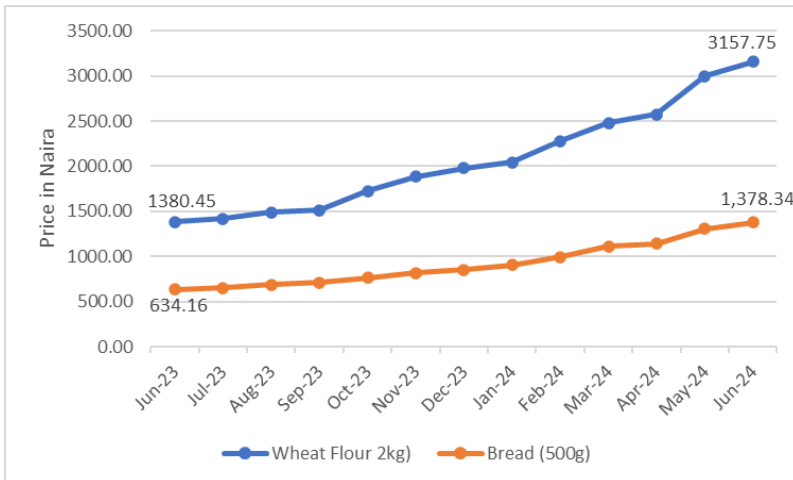
Figure 3. Food inflation Rate, July 2023 - July 2024



Source: [National Bureau of Statistics\(NBS\)](#)

However, FAS-Lagos is estimating an increase in consumption in the latter half of MY 2024/25 due to the [government waiving wheat import duties](#) from July 15 to December 31, 2024. The temporary policy reduced wheat import tariffs and duties from 20% to 0%. As a result, FAS-Lagos expects that lower import costs will encourage millers and retailers to reduce retail prices, which is expected to increase consumption.

Figure 4. Wheat Flour and Bread Price Trend (June 2023 - June 2024)



Source: NBS

TRADE

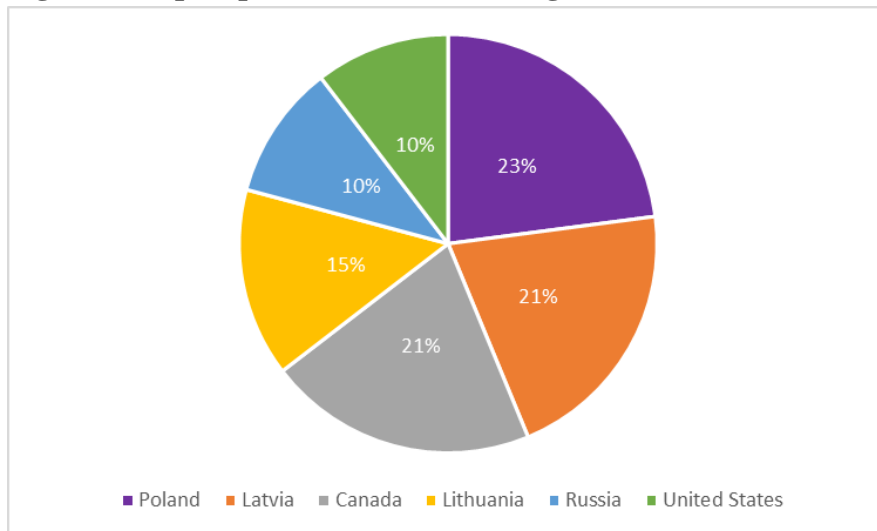
Imports

FAS-Lagos estimates MY 2024/25 wheat imports at 4.7 MMT, a six percent increase compared to [Post's April 2024 forecast](#) of 4.4 MMT. The government's temporary waiver of import tariffs and duties on wheat imports are expected to exert an upward influence on imports. However, contacts also noted continued weak miller and consumer demand, and the temporary nature of the waivers, could temper private sector utilization of this policy to import more wheat.

According to industry sources, in the past most flour millers imported relatively cheaper wheat from Russia and other Black Sea, however this trend has reversed. Reported challenges in vessels delivering Russian wheat have led to a decline in wheat imports from that country. Importers noted difficulties in getting letters of credit from Nigerian banks to import Russian wheat. Currently, Poland is Nigeria's top supplier of wheat, followed by Latvia (Figure 5).

Mills are enhancing their practices of blending cheaper, low-quality wheat with more expensive high-quality hard red winter from the United States. In calendar year 2023, Nigeria imported \$1.9 billion in wheat from the world, with the United States accounting for \$185 million.

Figure 5. Top Exporters of Wheat to Nigeria (MY 2023/24)



Source: Trade Data Monitor, Inc

Exports

Exports in MY 2024/25 are forecasted at 410,000 MT, about a 10 percent increase compared to [Post's April 2024 forecast](#) of 370,000 MT. This is attributed to the depreciation of the naira relative to the CFA franc used by neighboring countries. Numerous contacts noted that Nigerian sellers searching for hard currency and importers from neighboring countries with higher purchasing power have increased informal cross border Nigerian trading. Informal cross border movements of wheat are mainly to neighboring countries (e.g., Niger, Chad, Cameroon) by truck.

Additionally, a clause in the [government’s temporary policy waiving tariffs and duties](#) on wheat and other agricultural imports noted a penalty for the re-export of imported products covered under the waiver policy. This could facilitate the export of existing domestic wheat stocks by traders to earn hard currency which could then be used to import commodities duty-free.

STOCKS

Ending stocks are forecasted at 440,000 MT in MY 2024/25 an increase of 53 percent compared to [Post’s April 2024 forecast](#) of 286,000 MT. This is due to the expected increased imports as millers focus on building stocks considering the timeline for the zero-duty import of wheat and in anticipation of improved consumption.

POLICY

On August 14, Nigeria’s Customs Service [publicly released implementation guidelines](#) that temporarily waived all import (and associated levy) taxes for rice, sorghum, millet, corn, wheat, and beans until December 31, 2024. This policy was announced in mid-July by the Minister of Agriculture to “to ameliorate food inflation in the country.” As a result, wheat import tariffs and duties went from 20% to 0%.

Corn

Table 2. Corn Production, Supply and Distribution

Corn	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
Market Year Begins	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Nigeria						
Area Harvested (1000 HA)	5800	5800	5700	5700	5100	5500
Beginning Stocks (1000 MT)	1462	1462	1561	1561	464	464
Production (1000 MT)	12949	12949	11053	11053	11000	11680
MY Imports (1000 MT)	100	100	100	100	100	110
TY Imports (1000 MT)	100	100	100	100	100	110
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	14511	14511	12714	12714	11564	12254
MY Exports (1000 MT)	50	50	50	50	75	75
TY Exports (1000 MT)	50	50	50	50	75	75
Feed and Residual (1000 MT)	5500	5500	4900	4900	4400	5600
FSI Consumption (1000 MT)	7400	7400	7300	7300	6800	6300
Total Consumption (1000 MT)	12900	12900	12200	12200	11200	11900
Ending Stocks (1000 MT)	1561	1561	464	464	289	279

Total Distribution (1000 MT)	14511	14511	12714	12714	11564	12254
Yield (MT/HA)	2.2326	2.2326	1.9391	1.9391	2.1569	2.1236

(1000 HA), (1000 MT) ,(MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Corn begins in October for all countries. TY 2024/2025 = October 2024 - September 2025

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

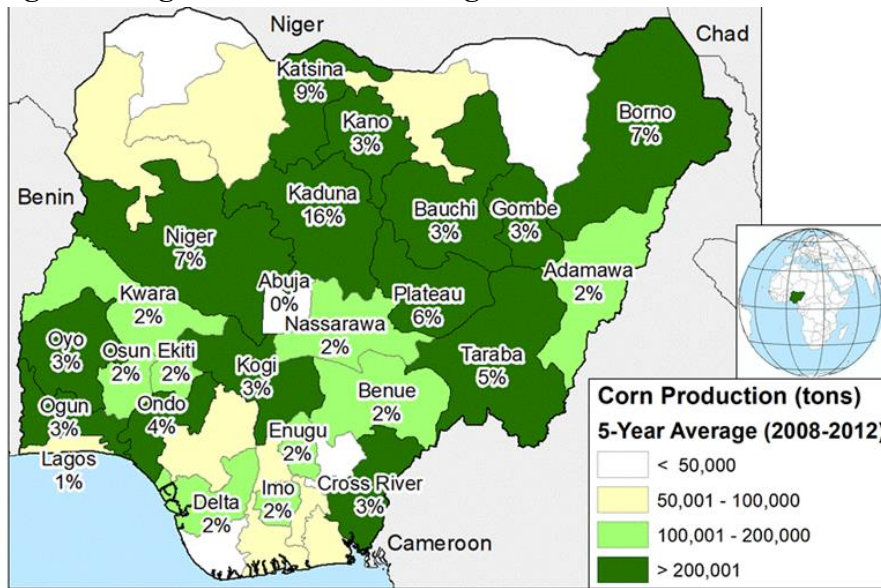
Production

FAS-Lagos forecasts MY 2024/25 production at 11.68 MMT (Table 2), about a six percent increase compared [Post’s April 2024 estimate](#) of 11.0 MMT. This is attributed to the estimated increase in area harvested as high prices encourage more plantings. Farmers outside of the top five producing states, which are thought to be more secure from bandit attacks, have been motivated to plant more corn due to high prices.

In contrast with wheat, which is mostly grown in the north, corn is planted across the country (Figure 6). Contacts mentioned that as corn is planted across the country, farmers in the south who are still deemed to be in more secure areas, are increasing the amount of corn planting acreage. Post forecasts harvested area in MY 2024/25 at 5.5 million hectares, about a seven percent increase compared to the [Post April 2024 estimate](#) of 5.1 million hectares.

Corn planting in Nigeria is done in two seasons (Figure 7) and is predominantly rainfall dependent. According to the Nigerian Meteorological Agency prediction for MY 2024/25, the growing season is projected to be shorter and rainfall characteristics (e.g., onset and cessation dates, length of season, amount) are anticipated to be near normal.

Figure 6. Nigeria's Corn Producing States



Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

Source: Federal Ministry of Agriculture and Rural Development/National Bureau of Statistics. Percentage values indicate percent regional production of total average production from 2008-2012.

Source: [USDA FAS International Production Assessment Division](#)

Figure 7. Nigeria's Corn Crop Calendar



Source: [USDA FAS International Production Assessment Division](#)

Consumption

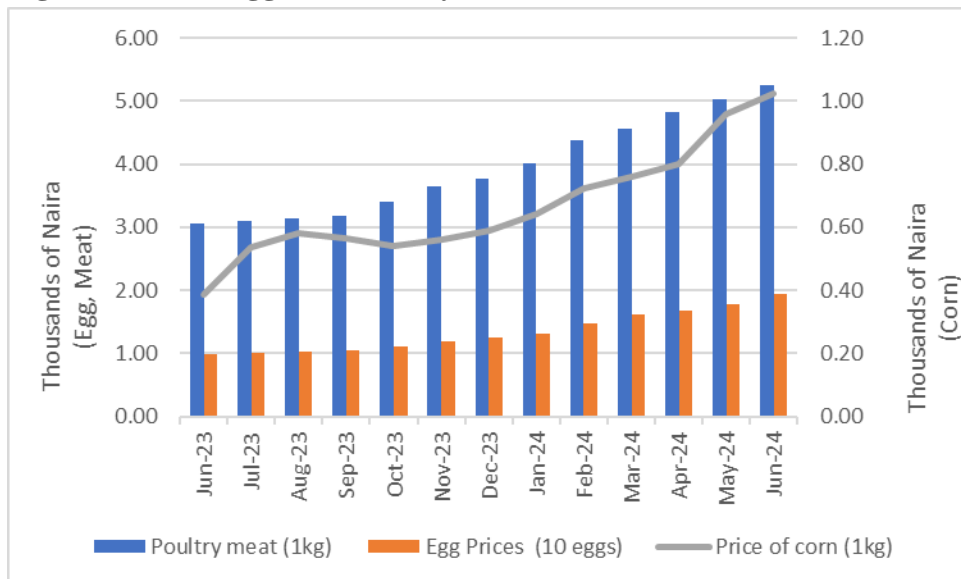
FAS-Lagos estimates MY 2024/25 consumption at 11.9 MMT, a three percent increase compared to [Post's April 2024 estimate](#) of 11.5 MMT. This is attributed to the expected increase in production and imports. FAS-Lagos expects that the reduced import price due to the [temporary lowering of import tariffs and duties](#) would influence the retail price for corn.

Approximately 45 percent of domestically produced corn is used in animal feed, with most of this used for poultry production. In addition, feed constitutes about 70 percent of the cost of production for poultry farmers, with corn as the essential ingredient.

According to post analysis of NBS data, the price of corn, eggs, and poultry meat in June 2024 increased by about 164 percent, 96 percent and 71 percent respectively compared to the rate recorded in June 2023

(Figure 8). As a result, FAS-Lagos expects that lower import tariffs and duties will encourage feed millers to reduce their prices, which is expected to increase utilization from poultry producers.

Figure 8. Corn, Egg, and Poultry Meat Prices (June 2023- June 2024)



TRADE

Imports

Post forecasts imports for MY 2024/25 at 110,000 MT, an 18 percent increase compared to [Post’s April 2024 estimate](#) of 90,000 MT. This is attributed to the projected increase in demand for imported corn after the government [publicly released implementation guidelines](#) that temporarily waived all import (and associated levy) taxes for corn and other commodities until December 31, 2024. Furthermore, the challenges caused by the shortage of corn in the past MY year should motivate corn feed users to import corn at this reduced rate to mitigate the shortages of MY 2023/24.

Exports

FAS-Lagos forecasts MY 2024/25 corn exports at 75,000 MT a 15 percent increase compared to [Post April 2024 estimate](#) of 65,000 MT. [The Customs Service still prohibits the export of corn](#), however, informal corn trade from Nigerian border regions to neighboring countries persist. Rising exports can be attributed to the depreciation of the naira relative to the CFA franc, which benefits buyers from neighboring countries and Nigerian sellers who are keenly in search of stable foreign exchange.

STOCKS

FAS-Lagos estimates MY 2024/25 ending stocks at 279,000 MT, about 20 percent increase compared to [Post April 2024 estimate](#) of 222,000 MT. The increase is expected due to increased production and higher imports.

POLICY

On August 14, Nigeria’s Customs Service [publicly released implementation guidelines](#) that temporarily waived all import (and associated levy) taxes for rice, sorghum, millet, corn, wheat, and beans until December 31, 2024. As a result, corn import tariffs and duties went from 5% to 0%.

Rice

Table 3. Rice Production, Supply and Distribution

Rice, Milled Market Year Begins Nigeria	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3500	3500	3500	3500	3500	3100
Beginning Stocks (1000 MT)	2045	2045	2175	2175	1830	1830
Milled Production (1000 MT)	5355	5355	5355	5355	5481	4725
Rough Production (1000 MT)	8500	8500	8500	8500	8700	7500
Milling Rate (.9999) (1000 MT)	6300	6300	6300	6300	6300	6300
MY Imports (1000 MT)	2275	2275	1800	1800	2000	1900
TY Imports (1000 MT)	2000	2000	2000	2000	2000	1900
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	9675	9675	9330	9330	9311	8455
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Consumption and Residual (1000 MT)	7500	7500	7500	7500	7600	7400
Ending Stocks (1000 MT)	2175	2175	1830	1830	1711	1055
Total Distribution (1000 MT)	9675	9675	9330	9330	9311	8455
Yield (Rough) (MT/HA)	2.4286	2.4286	2.4286	2.4286	2.4857	2.4194

(1000 HA),(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2024/2025 = January 2025 - December 2025

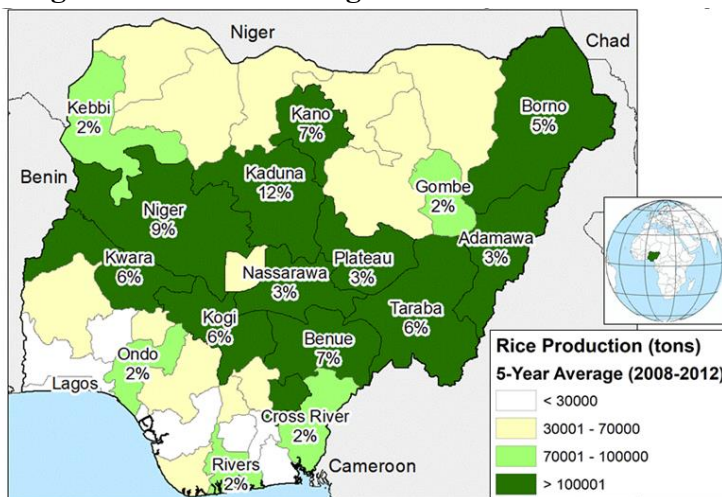
OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

PRODUCTION

MY 2024/25 domestic rice production is forecast at 7.5 MMT, a three percent decrease compared to [Post’s April 2024 estimate](#) of 7.7 MMT (Table 3). This decrease is attributed to insecurity in rice producing regions (Figure 9), somewhat challenging weather conditions, and the high cost of inputs.

The last rice sowing in the northern region was last July (Figure 10). Between April and July, cumulative rainfall amounts were almost average, which aided in crop development and planting operations. On the other hand, heavy downpours in several regions caused flooding, which interfered with planting. There is a decrease in the planted area in northern conflict-affected areas compared to the previous year, mostly because of farmers' restricted access to secured land.

Figure 9. Nigeria’s Rice Producing States

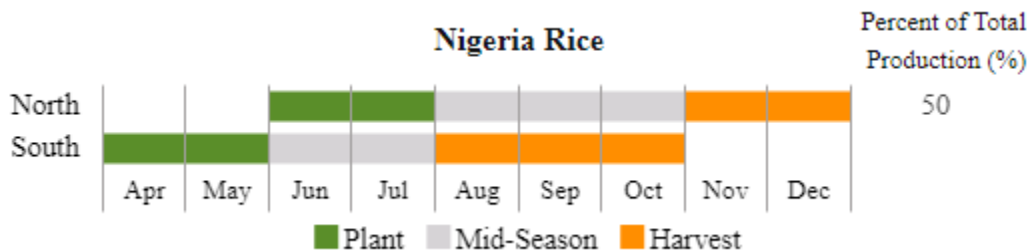


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Source: Federal Ministry of Agriculture and Rural Development/National Bureau of Statistics. Percentage values indicate percent regional production of total average production from 2008-2012.

Source: [USDA FAS International Production Assessment Division](#)

Figure 10. Nigeria’s Rice Crop Calendar



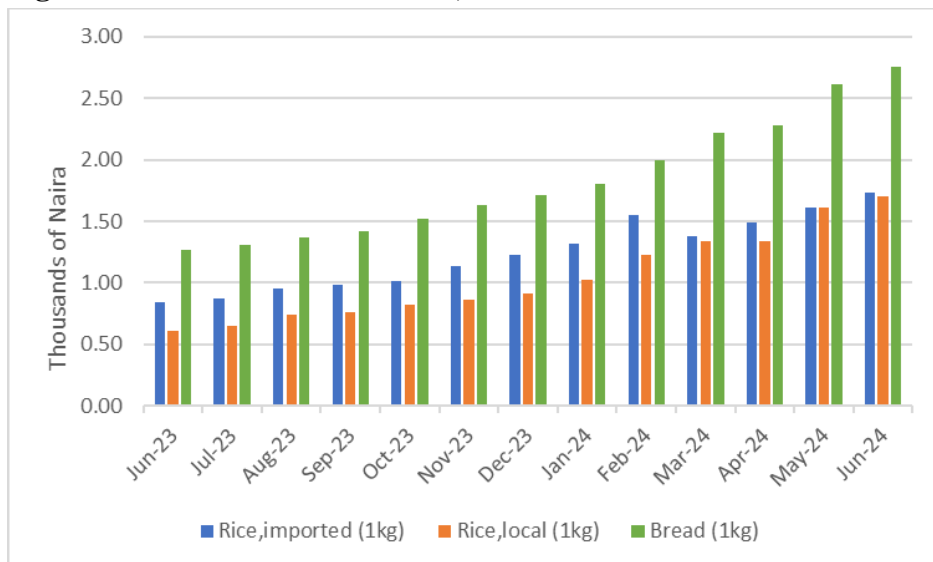
Source: [USDA FAS International Production Assessment Division](#)

CONSUMPTION

FAS-Lagos forecasts MY 2024/25 rice consumption at 7.4 MMT, about a three percent increase from [Post's April 2024 estimate](#) of 7.2 MMT. The increase could be ascribed to consumer inclination to purchase rice due to its affordability in comparison to other staple foods.

According to FAS-Lagos analysis of NBS data, rice is less expensive than bread (Figure 11). In addition, FAS-Lagos expects the [government's waiving of husked brown rice import duties](#) to further contribute to the affordability of rice. Millers that have ceased operations due to the lack of paddy might consider reopening due to the policy. Despite the weakened purchasing power of consumers, rice is an important food that households across the country would respond purchasing more at any price reduction.

Figure 11. Rice and Bread Prices, June 2023 - June 2024



Source: National Bureau of Statistics

TRADE

Imports

Post estimates MY 2024/25 imports at 1.9 MMT, a 21 percent increase compared to [Post's April 2024 estimate](#) of 1.5 MMT. This is attributed to the government's temporary waiver of 20 percent import tariffs and duties on husked brown rice imports that are expected to exert an upward influence on imports. However, contacts also noted continued macroeconomic weaknesses, and the temporary nature of the waivers, would be expected to temper private sector utilization of this tax waiver policy to import more husked brown rice.

The importation of rice through land borders is still banned. However, import tariffs in neighboring countries have traditionally funneled imported rice to Nigeria through informal trade channels. While the weakened naira is expected to reduce imports of parboiled rice into Nigeria, because the currency

exchange is more favorable for holders of CFA francs in neighboring countries. Retailers might consider patronizing the local mills and paddy to bypass the naira devaluation effect on informal importation.

STOCKS

FAS-Lagos estimates MY 2024/25 ending stocks at 1 MMT, a 19 percent increase compared to [Post's April 2024 estimate](#) of 855,000 MT. This is expected due to increased imports from the temporary tax-waiver policy.

POLICY

On August 14, Nigeria's Customs Service [publicly released implementation guidelines](#) that temporarily waived all import (and associated levy) taxes for husked brown rice, sorghum, millet, corn, wheat, and beans until December 31, 2024. As a result, husked brown rice import tariffs and duties went from 20% to 0%.

Sorghum

Table 4. Sorghum Production, Supply and Distribution

Sorghum	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
Nigeria	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	5700	5700	5700	5700	6100	6100
Beginning Stocks (1000 MT)	132	132	138	138	88	88
Production (1000 MT)	6806	6806	6400	6400	7200	7200
MY Imports (1000 MT)	0	0	0	0	0	0
TY Imports (1000 MT)	0	0	0	0	0	0
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	6938	6938	6538	6538	7288	7288
MY Exports (1000 MT)	50	50	50	50	50	100
TY Exports (1000 MT)	50	50	50	50	50	100
Feed and Residual (1000 MT)	150	150	100	100	200	200
FSI Consumption (1000 MT)	6600	6600	6300	6300	6900	6900
Total Consumption (1000 MT)	6750	6750	6400	6400	7100	7100
Ending Stocks (1000 MT)	138	138	88	88	138	88
Total Distribution (1000 MT)	6938	6938	6538	6538	7288	7288
Yield (MT/HA)	1.194	1.194	1.1228	1.1228	1.1803	1.1803

(1000 HA),(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Sorghum begins in October for all countries. TY 2024/2025 =
October 2024 - September 2025

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

PRODUCTION

FAS-Lagos forecasts sorghum production in MY 2024/25 at 7.2 MMT, in line with [Post's April 2024 estimate](#) (Table 4). This is partly influenced by the expected increase in area planted due to the growing demand of sorghum as an industrial raw material in the brewing and milling industries. Sorghum is also a relatively low maintenance, drought-resistant, crop suitable for northern farmers facing increasing input costs to produce corn, rice, and other grains.

Figure 12. Nigeria's Sorghum Crop Calendar



Source: [USDA FAS International Production Assessment Division \(IPAD\)](#)

CONSUMPTION

Post estimates total consumption in MY 2024/25 at 7.1 MMT, in line with [Post's April 2024 estimate](#). This is due to the established consumer shift caused by the high cost of corn and the preferences for sorghum by beverage, cereal, and confectionary manufacturers. However, the expected decrease in the price of corn in the next MY might not encourage further consumption growth.

Contacts noted that since most households prefer corn to sorghum, the drop in corn prices might result in lower sorghum consumption. Sorghum is consumed in various forms, either as porridge, in a dough eaten with soup, fermented pancakes, flour paste, or roasted. Traditionally, Nigerians use fermented sorghum grain for malting and producing local brewing products. It is also used as a seasoning and sweetener. About 60 percent of the sorghum produced domestically is consumed for food purposes in households, with the remaining going toward industrial applications and animal feed.

TRADE

Imports

On August 14, Nigeria's Customs Service [publicly released implementation guidelines](#) that temporarily waived all import (and associated levy) taxes for rice, sorghum, millet, corn, wheat, and beans until December 31, 2024. As a result, sorghum import tariffs and duties went from 5% to 0%. FAS-Lagos estimates that sorghum imports might remain near zero due to ample production. According to Trade

Data Monitor Inc., 63,000 MT of sorghum was imported into Nigeria in 2022, with no imports occurring in 2023.

Exports

Post estimates MY 2024/25 exports at 100,000 MT, in line with [Post's April 2024 estimate](#). Nigeria is meeting its own domestic needs for sorghum. The devaluation of the naira in relation to the CFA franc has resulted in increased exports through mostly informal channels.

Attachments:

No Attachments