

**Required Report:** Required - Public Distribution

**Date:** March 13, 2024

**Report Number:** NI2024-0002

## **Report Name:** Grain and Feed Annual

**Country:** Nigeria

**Post:** Lagos

**Report Category:** Grain and Feed

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### **Report Highlights:**

Due to rising insecurity in grain producing regions and higher input costs affecting planting decisions, corn and rice production is expected to decline in marketing year (MY) 2024/25. Corn, wheat, and rice consumption is also expected to decline due to high retail sale prices, a weakened naira, and decreased consumer purchasing power. Corn production is estimated to decrease 8 percent to 11.0 million metric tons (MMT) and consumption is expected to decrease by 9 percent to 11.5 MMT in MY 2024/25. Wheat consumption in MY 2024/25 will decrease nearly 9 percent to 4.2 MMT, and imports are forecasted to decrease by 8 percent to 4.4 MMT. Informal exports of corn, rice, and sorghum to neighboring countries are expected to increase in due to the favorable currency exchange rate for the West Africa CFA franc relative to the Nigerian naira.

## Market Overview

News sources continue to report on security challenges in the grain producing north. In addition, widespread price inflation in 2023, including in wholesale commodities, retail foods, animal feed, food, fuel, energy, and agricultural inputs have led to reduced planting intentions by producers in 2023, which is expected to carry over into MY 2024/25.

In 2023, agricultural importers sourcing foreign exchange on the parallel market suffered from the increasing spread between the official and parallel exchange rates. In October, [the Central Bank of Nigeria \(CBN\) lifted foreign exchange restrictions](#) for the importation of 43 items, including rice and corn. Despite this policy change, importers reported continued challenges sourcing foreign exchange - as well as soft consumer demand due the currency's devaluation and high inflation. During the first quarter of 2024, the National Bureau of Statistics reported continued inflation in food and non-food categories, while the naira depreciated an additional 40 percent. Although the parallel and official exchange rates largely converged in March 2024, importers continued to note that the lack of foreign exchange hampered efforts to import food and agricultural items.

In addition, the weakened naira relative to the West Africa CFA franc has encouraged cross border flows of grains out of Nigeria to neighboring countries. The naira depreciated 72 percent against the CFA franc over the past 12 months, which has incentivized both Nigerian exporters to sell for to gain CFA francs as hard currency and neighboring importers to source relatively less expensive grains from Nigeria.

As a result of rising food and non-food price inflation, supermarket, restaurant, milling, and food manufacturing contacts reported consumers have downgraded consumption, including to more economical staples such as millet, sorghum, cassava, yam, and broken rice.

## Wheat

**Table 1. Wheat Production, Supply and Distribution**

Wheat Market Year Begins Nigeria	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	100	100	110	110	0	115
Beginning Stocks (1000 MT)	618	618	360	360	0	330
Production (1000 MT)	110	110	120	120	0	126
MY Imports (1000 MT)	4732	4732	4800	4800	0	4400
TY Imports (1000 MT)	4732	4732	4800	4800	0	4400
TY Imp. from U.S. (1000 MT)	743	743	0	0	0	0
Total Supply (1000 MT)	5460	5460	5280	5280	0	4856
MY Exports (1000 MT)	400	400	350	350	0	370
TY Exports (1000 MT)	400	400	350	350	0	370
Feed and Residual (1000 MT)	0	0	0	0	0	0
FSI Consumption (1000 MT)	4700	4700	4600	4600	0	4200
Total Consumption (1000 MT)	4700	4700	4600	4600	0	4200
Ending Stocks (1000 MT)	360	360	330	330	0	286

<b>Total Distribution</b> (1000 MT)	5460	5460	5280	5280	0	4856
<b>Yield</b> (MT/HA)	1.1	1.1	1.0909	1.0909	0	1.0957

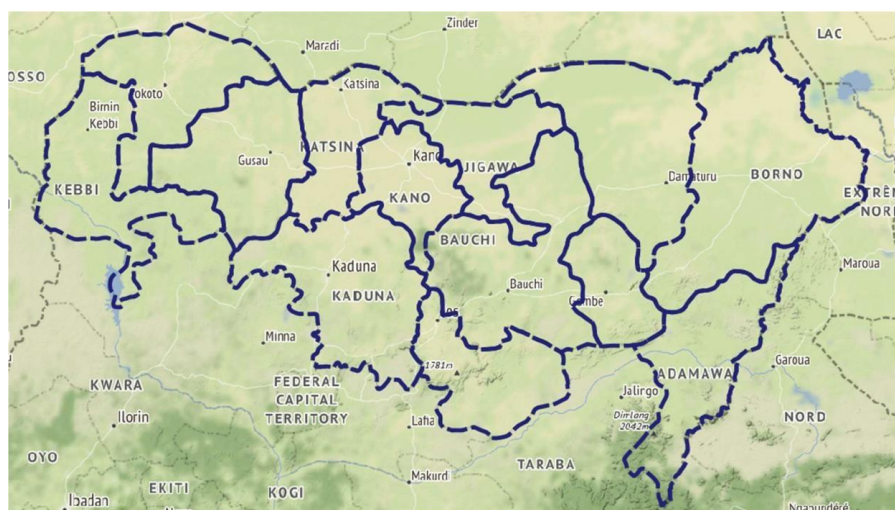
(1000 HA) ,(1000 MT) ,(MT/HA)  
MY = Marketing Year, begins with the month listed at the top of each column  
TY = Trade Year, which for Wheat begins in July for all countries. TY 2024/2025 = July 2024 - June 2025

## Production

FAS-Lagos estimates MY 2024/25 wheat production at 126,000 MT, about 5 percent higher compared to the 120,000 MT projection for MY 2023/24 (Table 1). This increase is attributed to renewed [government interest in wheat production](#) through the Wheat Dry Season Farming initiative under the National Agricultural Growth Scheme and Agro-Pocket Project (NAGS&AP) which allocated 40,000 hectares for wheat production in Jigawa state and 50 percent input subsidies to producers. Post expects production gains from government support to be countered by insecurity in the wheat producing northern regions, inefficient government support, and high input costs.

Producers are expected to limit planting due to the rising imported input (e.g., fertilizers, pesticides, planting seeds) prices, some of which have become nearly 300 percent more expensive due to the naira’s devaluation in relation to the U.S. dollar and European euro. Because the government’s subsidy allotment has not increased in relation to the naira’s devaluation, producers reported that input subsidies are expected to cover less than 50 percent of the land than they did in the prior MY. According to the National Bureau of Statistics (NBS), about 70 percent of wheat is produced in the northwest geopolitical zone, with Kano and Jigawa states accounting for most of this 70 percent (Figure 1).

**Figure 1: Wheat Producing Areas**



Source: National Bureau of Statistics (NBS)

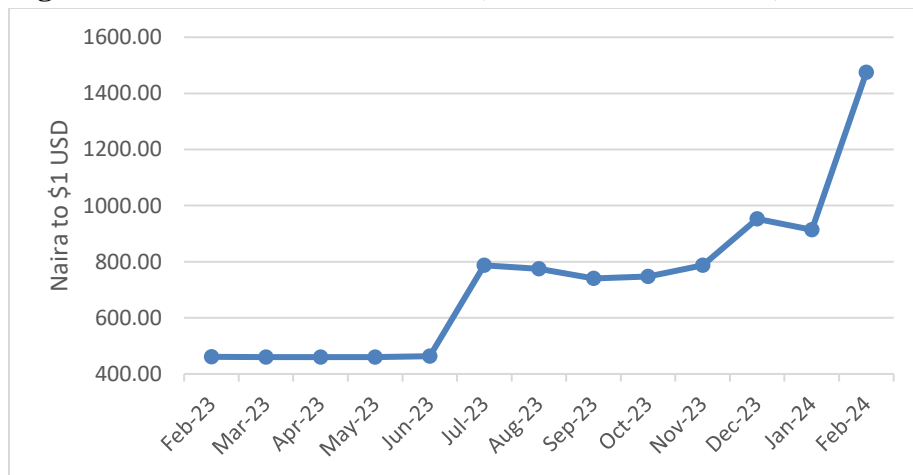
Insecurity (i.e., “banditry”) remains a persistent concern in wheat producing regions. Producers have been displaced from cultivated lands, forced to pay for protection, and had their harvests taxed from extralegal actors. The government reportedly selected Jigawa state for the Wheat Dry Season Farming

initiative due to its perceived relative safety. Wheat producers are increasingly adopting the rice-wheat intercrop system in the north, by cultivating wheat varieties reaching maturity in 80-90 days of harvest, which allows them to also plant rice. According to the Nigerian Meteorological Agency, rainfall characteristics (e.g., onset and cessation dates, length of season, amount) in 2024 are anticipated to be near normal in wheat producing regions.

### Consumption

FAS-Lagos anticipates that wheat consumption in MY 2024/25 will decrease nearly 9 percent to 4.2 MMT compared MY 2023/24 forecast. This decrease is attributed to lower imports due to widespread economic challenges, including 35 percent year-over-year [food price inflation](#), federal government fuel subsidy removal, a weakened naira, and foreign exchange shortages (Figure 2).

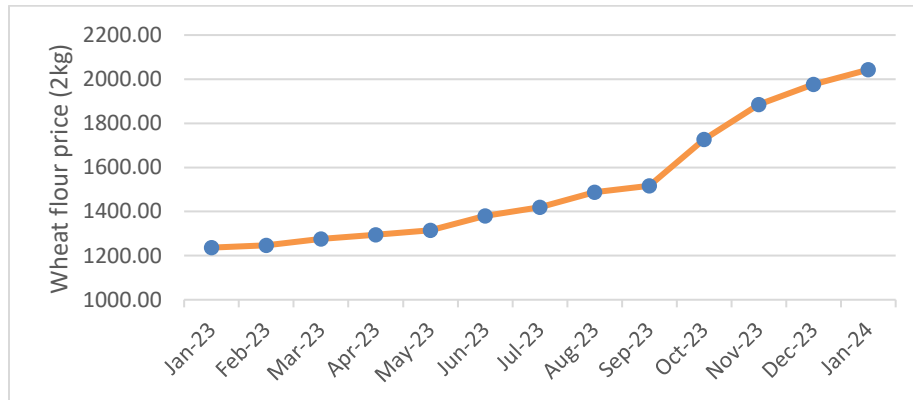
**Figure 2. Official USD/CBN rates (Feb 2023 to Feb 2024)**



Source: Nigeria Foreign Exchange Market

Despite global wheat price declines since 2023, domestic prices have continued to rise (Figure 3).

**Figure 3. Wheat Prices Trend (Jan 2023 – Jan 2024)**



Source: NBS

Many Nigerians have reportedly downgraded their consumption from relatively expensive wheat-based products to locally produced staples including cassava, yam, sorghum, and millet. Average wage growth has reportedly not kept pace with rising food prices. The Premium Bread Bakers Association of Nigeria predicted the cost of bread in January 2024, which already increased year-over-year by 53 percent in 2023, would increase again by 15-20 percent in 2024. Supermarket operators have reported decreasing demand for wheat products, such as bread and noodles. Flour milling contacts noted the cost of production driven largely by higher wheat import, energy, and fuel costs led to a 30 percent decrease in milling.

## **TRADE**

### **Imports**

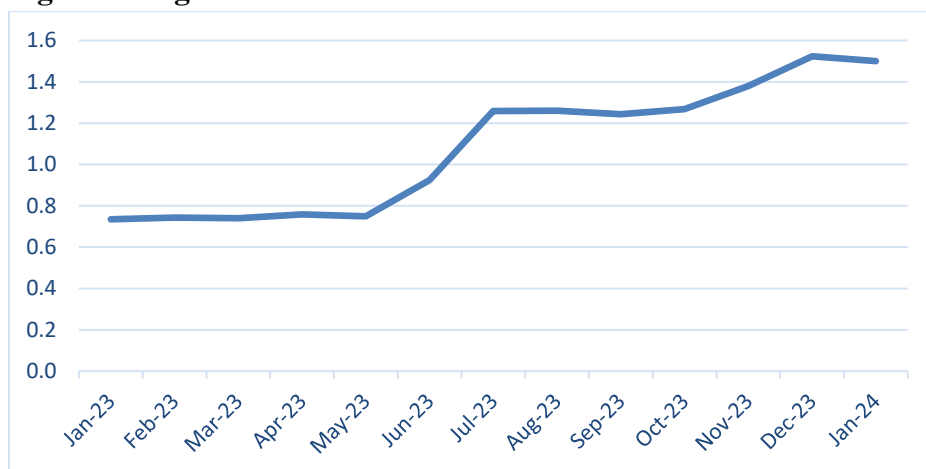
FAS-Lagos estimates MY 2024/25 wheat imports at 4.4 MMT, a decrease of about 8 percent compared to the 4.8 MMT estimate for MY 2023/24. This estimated decrease is attributed to the naira's devaluation, foreign exchange scarcity, and weak consumer demand.

[According to one news source](#), wheat imports decreased 25 percent at the Tincan Island and Rivers seaports, between January and October 2023, leading to a supply shortfall and higher prices. [In January 2024, Central Bank of Nigeria raised custom duties by 2.6 percent](#), as import duties are benchmarked against the dollar. [According to \(NBS\)](#), the percentage share of wheat imports in the third quarter of 2023 declined by 18 percent compared to the corresponding quarter.

### **Exports**

Exports in MY 2024/25 are forecasted at 370,000 MT, a 6 percent increase compared to post projections for MY 2023/24. This is attributed to the depreciation of the naira relative to the CFA franc used by neighboring countries (Figure 4). Numerous contacts noted that Nigerian sellers searching for hard currency and importers from neighboring countries with increased purchasing power have increased informal cross border Nigerian exports. While Nigeria (through the Economic Community of West African States and the West African Monetary and Economic Union) placed trade and economic sanctions on Niger in 2023, informal cross border movements of grains from Nigeria's northern states to Niger and other neighbors has continued.

**Figure 4: Nigerian Naira to CFA Franc**



Sources: Central Bank of Nigeria; NFEM

## POLICY

Nigeria maintains a 5 percent tariff on imported wheat and a 15 percent levy. The government continues to experiment with programs to increase domestic production. The NAGS&AP was funded in part by the African Development Bank. [Certified wheat seeds of the Borlaug 100 heat-tolerant variety were imported from Mexico](#) to increase crop yields by at least 20 percent. In addition to this initiative, the [Lake Chad Research Institute's Rain-fed](#) wheat research in Plateau state has reportedly been successful in producing two crops per year. According to the Institute, Plateau, Cross River, and Taraba states were shown to be conducive for wheat rainfed production. Post does not estimate production changes in MY 2024/25 as a result of these initiatives.

## CORN

**Table 2. Corn Production, Supply and Distribution**

Corn 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)	5800	5800	5700	5700	0	5100
Beginning Stocks (1000 MT)	1462	1462	1347	1347	0	697
Production (1000 MT)	12735	12735	12000	12000	0	11000
MY Imports (1000 MT)	100	100	100	100	0	90
TY Imports (1000 MT)	100	100	100	100	0	90
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	14297	14297	13447	13447	0	11787
MY Exports (1000 MT)	50	50	50	50	0	65
TY Exports (1000 MT)	50	50	50	50	0	65
Feed and Residual (1000 MT)	2800	2800	2600	2600	0	5500
FSI Consumption (1000 MT)	10100	10100	10100	10100	0	6000
Total Consumption (1000 MT)	12900	12900	12700	12700	0	11500
Ending Stocks (1000 MT)	1347	1347	697	697	0	222
Total Distribution (1000 MT)	14297	14297	13447	13447	0	11787
Yield (MT/HA)	2.1957	2.1957	2.1053	2.1053	0	2.1569

(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

## **Production**

FAS-Lagos forecasts MY 2024/25 production at 11 MMT, an 8 percent decrease compared to the 12 MMT estimate for MY 2023/24 (Table 2). This decrease is attributed to lower production due to insecurity, high input costs, and decreased government support. Due to insecurity and other factors, harvested area in MY 2024/25 is forecasted at 5.1 million hectares, an 11 percent decrease from the 5.7 million hectares in MY 2023/24.

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 in corn producing regions.

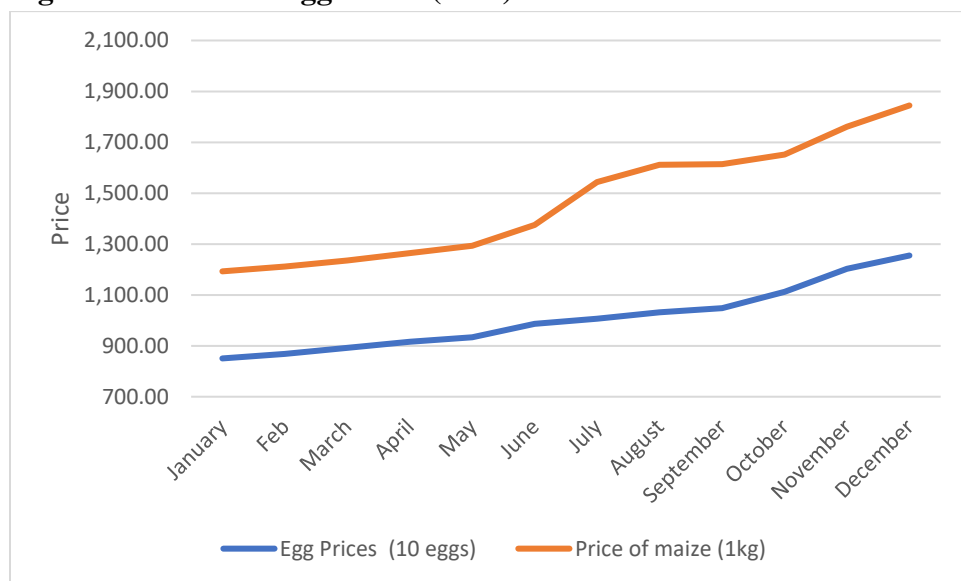
## **Consumption**

FAS-Lagos estimates MY 2024/25 consumption at 11.5 MMT, a 9 percent decrease compared to the 12.7 MMT projection for MY 2023/24. This decrease is attributed to high corn prices and a reduction in poultry and egg production. Poultry and egg producers are expected to reduce production in response to high fuel and energy costs, high feed prices, foreign exchange scarcity, and soft consumer demand.

Approximately 45 percent of domestically produced corn is used in animal feed, with most of this used for poultry production. Household food use accounts for about 15 percent of consumption. The food processing, ethanol, and beverage industry uses the remainder. According to post's analysis of [NBS](#) data, corn prices rose 72 percent in 2023 (Figure 5). This increase is attributed to the foreign exchange scarcity, naira devaluation, and political instability in Niger, which further halts the expansion of the chicken industry and tangentially raises the cost of food items like eggs.

Poultry and egg producer contacts reported corn-based feed prices were unusually volatile in 2023. Quoted prices per metric ton of poultry feed increased from approximately 150,000 naira in early 2023 to around 560,000 naira toward the end of the year. The price increase was due to multiple factors including low stocks, the depreciating naira, the poorly implemented naira redesign, and high energy and fuel prices.

**Figure 5. Corn and Egg Prices (2023)**



Source: NBS

## TRADE

### Imports

Post forecasts imports for MY 2024/25 at 90,000 MT, a 10 percent decrease compared to the MY2023/24 estimate. This projected decrease is attributed to the weakened naira relative to the West Africa CFA franc, which has made importing corn from neighboring countries approximately twice as expensive compared to the prior year. Some traders noted that the government could waive import tariffs and levies to encourage more corn imports, however [President Tinubu recently announced](#) he would not approve food imports to address rising food prices and food insecurity.

### Exports

FAS-Lagos forecasts MY 2024/25 corn exports at 65,000 MT a 30 percent increase compared to the MY2023/24 estimate. While [the Customs Service prohibits corn exports](#), contacts noted a significantly increase in informal corn trade from Nigerian border regions to neighboring countries. Rising exports can be attributed to the depreciation of the naira relative to the West Africa CFA franc, which benefits buyers from neighboring countries and Nigerian sellers who are keenly in search of stable foreign exchange. Despite political friction due to the military coup in Niger, contacts noted that informal trade of grains from Nigeria's north continues.

## STOCKS

FAS-Lagos estimates MY2024/25 ending stocks at 222,000 MT. The decrease is expected due to higher exports, lower production, and government announcements of enforcement against "hoarders" which could hasten the processing and/or movement of corn outside the country by aggregators.



## POLICY

In October 2023, [the Central Bank of Nigeria \(CBN\) lifted foreign exchange restrictions](#) for the importation of 43 items, including corn. In January 2024, [Nigeria approved the commercial release of four TELA maize varieties](#), which makes it the second country in Africa after South Africa to approve the commercial release of biotech corn. However, an estimated 95 percent of Nigeria's seed companies cannot produce hybrid seeds; contacts anticipate it will take time to domestically produce TELA maize planting seeds. Post anticipates no impacts from this development on production or yields in MY 2024/25.

## Rice

**Table 3. Rice Production, Supply and Distribution**

Rice, Milled Market Year Begins	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)	3500	3500	3500	3500	0	3250
Beginning Stocks (1000 MT)	2045	2045	2175	2175	0	1704
Milled Production (1000 MT)	5355	5355	5229	5229	0	4851
Rough Production (1000 MT)	8500	8500	8300	8300	0	7700
Milling Rate (.9999) (1000 MT)	6300	6300	6300	6300	0	6300
MY Imports (1000 MT)	2275	2275	1900	1900	0	1500
TY Imports (1000 MT)	2000	2000	2000	2000	0	1500
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	9675	9675	9304	9304	0	8055
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	7600	7600	0	7200
Ending Stocks (1000 MT)	2175	2175	1704	1704	0	855
Total Distribution (1000 MT)	9675	9675	9304	9304	0	8055
Yield (Rough) (MT/HA)	2.4286	2.4286	2.3714	2.3714	0	2.3692

(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

## PRODUCTION

FAS-Lagos projects rice production in MY 2024/25 to decrease by 7 percent to 7.7 MMT compared to 8.3 MMT forecast for MY 2023/24 (Table 3). This decrease is attributed to insecurity in northern rice producing regions, decreased government support, and inadequate mechanization. Producers are also expected to decrease planting area due to the rise in prices of imported inputs.

## CONSUMPTION

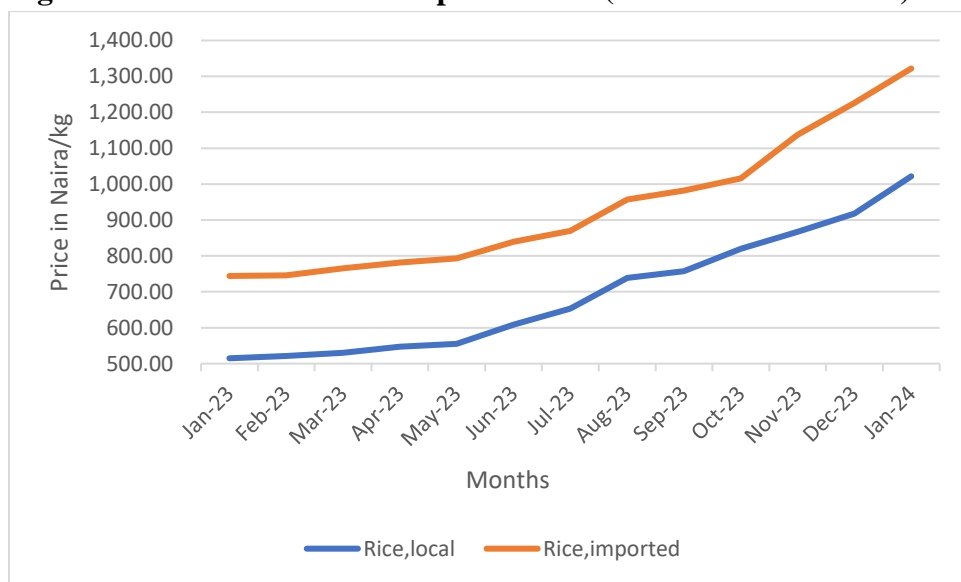
FAS-Lagos forecasts MY 2024/25 rice consumption at 7.2 MMT, a 5 percent decrease from MY 2023/24 estimate of 7.6 MMT. The decrease is attributed to the weakened purchasing power of consumers, including [high food price inflation](#) reaching 35 percent year-over-year. High rice prices are

also the result of the lack of paddy, lower imports, the weakened naira making imports increasingly expensive, and the fuel subsidy removal.

For lower income consumers, rice is a staple meal for events and celebrations, while the middle and upper classes consume it on a more regular basis. However, due to widespread economic challenges, including the fuel subsidy removal, higher energy costs, and a weakened naira, rice is being substituted for more economical staples such as sorghum, millet, cassava, and yam. Additionally, according to post contacts, some northerners have begun to consume rice rejected by millers or those stocks which previously were used for aquaculture feed.

Nigerian rice millers of all scales have reported reducing their milling activity due to the scarcity of paddy, [high fuel costs](#), and high energy costs related to operating generators. Local rice is not readily available and affordable to consumers as an alternative to imported rice. Imported and local rice prices increased by 44 percent and 50 percent respectively over the past year. Though still approximately 30 percent more expensive, the price margin between local and imported rice has decreased (Figure 6). Consumers prefer imported brands from Thailand, Vietnam, and India. However, the naira's devaluation has increased the landing costs of imported rice not just from Asia, but also Cameroon, Benin, Chad, and Niger.

**Figure 6. Price of Local and Imported Rice (Jan 2023 to Jan 2024)**



Source: NBS

## TRADE

### Imports

Post estimates MY 2024/25 imports at 1.5 MMT, a 21 percent decrease from the 1.9 MMT estimate for MY 2023/24. The decline is attributed to decreasing demand due to high import prices. In addition to

high global prices, the devaluation of the naira relative to the West Africa CFA franc has reduced demand from Nigerian buyers in favor of those from neighboring countries.

[Nigeria maintains a 60 percent duty on foreign rice imports](#). As a result, rice is frequently traded through informal channels. For importing rough paddy, the government imposes a 20 percent import duty. However, an integrated rice miller with a confirmed backward integration program (i.e., to produce domestically) is eligible to pay a 10 percent import duty and a 20 percent levy to import rice. While lower rice import tariffs in neighboring countries have traditionally funneled imported rice to Nigeria through informal trade channels, the weakened naira is expected to reduce these imports into Nigeria as the currency exchange is more favorable for holders of West Africa CFA francs in neighboring countries.

## POLICY

In October 2023, [the Central Bank of Nigeria \(CBN\) lifted foreign exchange restrictions](#) for the importation of 43 items, including rice. The government has supported the domestic rice market through the National Rice Development Strategy II (NRDS II) and the Competitive Rice Platform (CARP) to scale up paddy production to 2030. The NRDS II is a ten-year plan which aims to achieve the government’s rice self-sufficiency goals. According to contacts, the amount of government subsidy support is expected to remain unchanged despite the weakened naira, resulting in a 75 percent reduction in the ability purchase imported inputs.

## STOCKS

FAS-Lagos estimates MY 2024/25 ending stocks at 855,000 MT. The decrease is expected due to lower production and imports. In addition, government announcements of enforcement against “hoarders” and cross-border traders are expected to hasten the milling of available paddy by millers.

## Sorghum

**Table 4. Sorghum Production, Supply and Distribution**

Sorghum Market Year Begins	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	0	6100
Beginning Stocks (1000 MT)	132	132	174	174	0	174
Production (1000 MT)	6742	6742	6700	6700	0	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)	6874	6874	6874	6874	0	7374
MY Exports (1000 MT)	50	50	50	50	0	100
TY Exports (1000 MT)	50	50	50	50	0	100
Feed and Residual (1000 MT)	150	150	150	150	0	200
FSI Consumption (1000 MT)	6500	6500	6500	6500	0	6900
Total Consumption (1000 MT)	6650	6650	6650	6650	0	7100
Ending Stocks (1000 MT)	174	174	174	174	0	174

<b>Total Distribution</b> (1000 MT)	6874	6874	6874	6874	0	7374
<b>Yield</b> (MT/HA)	1.1828	1.1828	1.1754	1.1754	0	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						

## PRODUCTION

FAS-Lagos forecasts sorghum production in MY 2024/25 at 7.2 MMT, a 7 percent increase compared to the estimate for MY 2023/24 (Table 4). Area harvested in MY 2024/25 is forecast at 6.1 million hectares, a 7 percent increase from the MY 2023/24 estimate. This can be attributed to the growing demand of sorghum as an industrial raw material in the brewing and milling industries. Sorghum is a relatively low maintenance, drought-resistant, crop for northern farmers facing increasing input costs to produce corn and other grains.

## CONSUMPTION

Post estimates total consumption in MY 2024/25 at 7.1 MMT, an 7 percent increase compared to the 6.65 MMT estimate for MY 2023/24. This estimated increase is attributed to the high cost of corn leading to consumer shifts to sorghum, and the preferences for sorghum by beverage, cereal, and confectionary manufacturers.

Contacts noted that due to high food prices, northern consumers utilize sorghum as a cheaper grain alternative. Sorghum is consumed in various forms, either as porridge, in a dough eaten with soup, fermented pancakes, flour paste, or roasted grain. Traditionally, Nigerians use fermented sorghum grain for malting and producing local brewing products. It is also used as a seasoning and sweetener.

Despite high corn prices, contacts noted that substituting sorghum for corn in animal feed is at the research and development stage. Increasing sorghum has found its way into animal feed, but the amount is still relatively small compared to corn's prominence. 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

Post estimates MY 2024/25 exports at 100,000 MT. Nigeria is meeting its own domestic needs for sorghum. The devaluation of the naira in relation to the West African CFA franc has resulted in increased exports through mostly informal channels.

## Attachments:

No Attachments