

Required Report: Required - Public Distribution

Date: October 22, 2021

Report Number: NI2021-0006

Report Name: Grain and Feed Update

Country: Nigeria

Post: Lagos

Report Category: Grain and Feed

Prepared By: Ebenezer Boluwade, Agricultural Specialist USDA/FAS

Approved By: Gerald Smith

Report Highlights:

Imported wheat ensures Nigeria food security amid a growing population since domestic production remains minimal. Wheat imports remain strong despite challenges accessing foreign exchange. Rice consumption is expected to increase largely due to increasing consumer preference for other varieties like foreign basmati and local ofada rice, in addition to parboiled rice. With expectations of larger production for 2021/22, post boosted feed and residual use reflecting strong demand in the poultry sector. Unlike the previous year, the government is unlikely to approve imports. Corn imports are adjusted accordingly.

MARKET OVERVIEW

Nigeria is Africa's largest economy, and a major oil producer with a current population of over 212 million people. Nigeria's Gross Domestic Product grew by five per-cent, year-on-year, in the second quarter according to the National Bureau of Statistics. The five per-cent marks three consecutive quarters of growth following the negative growth rates recorded in the second and third quarters of 2020. The latest GDP figures shows that the economy is transitioning into recovery mode, which is largely attributed to the easing of COVID-19 restrictions and the resumption of economic activities.

Nigeria relies on imports to meet its food and agricultural product needs (mostly wheat, rice, poultry, fish, food services, consumer-oriented foods, etc.)—worth about \$10 billion annually. Europe, Asia, the United States, South America, and South Africa are major sources for agricultural imports. The Government of Nigeria (GON) has initiated agricultural programs such as the Anchor Borrowers Program (ABP) to diversify its economy away from oil. The program has successfully financed about 3 million small holder farmers, 3.8 million hectares of land and 21 commodities. However, currently the ABP is overwhelmed by farmers low loan repayment rates. This ongoing situation threatens the sustainability of the central bank's centerpiece agricultural program. The GON just concluded the National Council on Agriculture and Rural Development Regular meeting, approved the implementation of new Agricultural policy named "National Agricultural Technology and Innovation Plan" (NATIP). It's a four-year blueprint designed to boost Nigeria's post COVID-19 pandemic economic recovery. This policy will replace the Agriculture Promotion Policy (APP) that was launched in 2016 but terminated in December 2020. On September 1, 2021, a new minister was recently announced to lead the Ministry of Agriculture. Stakeholders are waiting patiently to see his policies for the sector.

Insecurity is still rife within the grain producing areas. The government mandated the security forces to drive out armed groups from the forest in the northwest, but the groups are now using the high crop vegetation as a cover to perpetuate violence and scare away farmers during harvesting. The weather is favorable this year unlike last year where there were serious weather woes - a prolonged drought in the south from June to August and at same time people in the north were experiencing sporadic flood.

WHEAT

Production, Supply and Distribution Table

Wheat Market Year Begins Nigeria	2019/2020		2020/2021		2021/2022	
	Jul 2019		Jul 2020		Jul 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	60	60	50	50	55	80
Beginning Stocks (1000 MT)	200	200	298	298	789	789
Production (1000 MT)	60	60	55	55	55	90
MY Imports (1000 MT)	5338	5338	6586	6586	5800	6400
TY Imports (1000 MT)	5338	5338	6586	6586	5800	6400
TY Imp. from U.S. (1000 MT)	1382	1382	0	0	0	1500
Total Supply (1000 MT)	5598	5598	6939	6939	6644	7279
MY Exports (1000 MT)	400	400	600	600	500	600
TY Exports (1000 MT)	400	400	600	600	500	600
Feed and Residual (1000 MT)	50	50	50	50	50	60
FSI Consumption (1000 MT)	4850	4850	5500	5500	5700	6480
Total Consumption (1000 MT)	4900	4900	5550	5550	5750	6540
Ending Stocks (1000 MT)	298	298	789	789	394	139
Total Distribution (1000 MT)	5598	5598	6939	6939	6644	7279
Yield (MT/HA)	1	1	1.1	1.1	1	1.1

(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 2021/2022 = July 2021 - June 2022

PRODUCTION

The current increase in wheat acreage planted is attributed to the government's Wheat Development Program (WDP), which targets several states in the northwest and northeast regions. Currently, this initiative is spreading production to non-traditional wheat producing states like Kaduna, Jigawa, and Kebbi. These states are also benefiting from the cool harmattan season between November to February each year. Low temperatures help wheat mature. Generally, the persistent insecurity situation continues to plague Northern Nigeria, which is the primary wheat cultivation region. Meanwhile, the government's efforts to spread wheat cultivation to other states is contributing to increase in production but not necessarily increment in yield per hectare.

Generally, Nigeria's wheat production has been hampered by a lack of modern agronomic practices and the unavailability of improved seeds. The national average yield for wheat is 1.1MT/Ha. The Lake Chad River Basin Authority, which has a mandate to research and develop improved varieties of wheat has not been able to function effectively in the last 10 years due to insurgency (Boko Haram) in Maiduguri, Borno State where the institute is located. However, due to recent developments at the just concluded Agricultural Council meeting, the National Cereal Research Institute (NCRI) has been provided an additional mandate to take up wheat research and development until peace returns to Borno State. The Central Bank OF Nigeria (CBN) is supporting an 800-ha seed multiplication project this year - later offtakers will distribute seeds for the next planting season.

CONSUMPTION

There is a surge in wheat consumption for MY2021/22, which is due to an increase in the demand of semolina, pasta, noodles, and bread consumption. Flour based products tend to be in high demand in the dry season when other food crops are in short supply. The rise in the prices of staple foods like rice, garri and cowpea causes the consumers to switch to wheat-based products that are relatively affordable. FAS Lagos estimates consumption at 6.48 million metric tons (MMT), up nearly 13% higher than 2020/21 USDA estimates. The unavailability of foreign exchange is forcing flour millers to buy hard currency from different sources including the parallel market – at prices 20 percent higher than the official rate. Additionally, the millers’ situation is worsening by increasing cost of freight as well as the increased Freight on Board (FOB) rates that Nigerian import goods face.

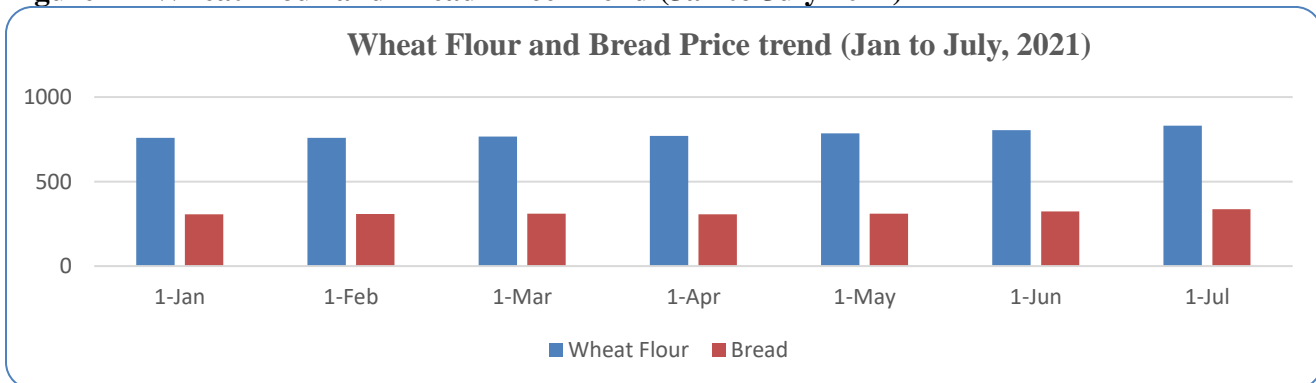
The foreign exchange restriction is negatively impacting the price of wheat products like bread. The prices of bread and other value-added wheat products increased between 10 to 15 percent over the last 12 months due to high production costs incurred by millers and bakers. The demand for the wheat-based products is price sensitive. This means that the burden of every new increment in costs is absorbed largely by the millers and bakers. Recently, the Flour Millers Association of Nigeria sent a letter to the Ministry of Trade and Investment requesting the government to intervene in an impending millers and bakers strike, which was planned if a proposed increment on the price of flour is implemented. Furthermore, any price increases of flour-based products in local markets impose additional burden on the earning of low and middle incomes consumers - bread represents a major part of their daily diet. Flour Millers are calling on the government for immediate access to official CBN foreign exchange rates.

Wheat Flour and Bread Price trend between Jan to July 2021

Commodity	1-Jan	1-Feb	1-Mar	1-Apr	1-May	1-Jun	1-Jul
Wheat Flour (2Kg) (N)	757.97	758.55	766.11	770.58	785.87	803.90	830.60
Bread (500g) (N)	306.74	308.07	310.19	306.16	310.81	324.03	335.67

Source: National Bureau of Statistics (NBS)

Figure 1 – Wheat Flour and Bread Price Trend (Jan to July 2021)



Source: National Bureau of Statistics (NBS)

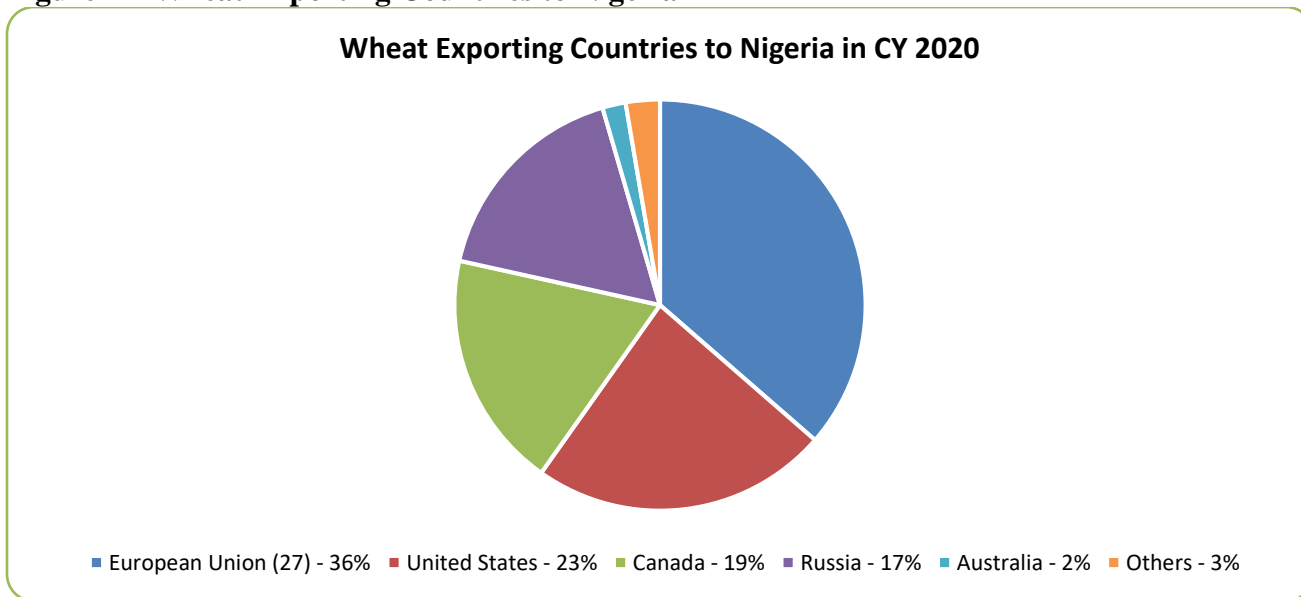
TRADE

Imports

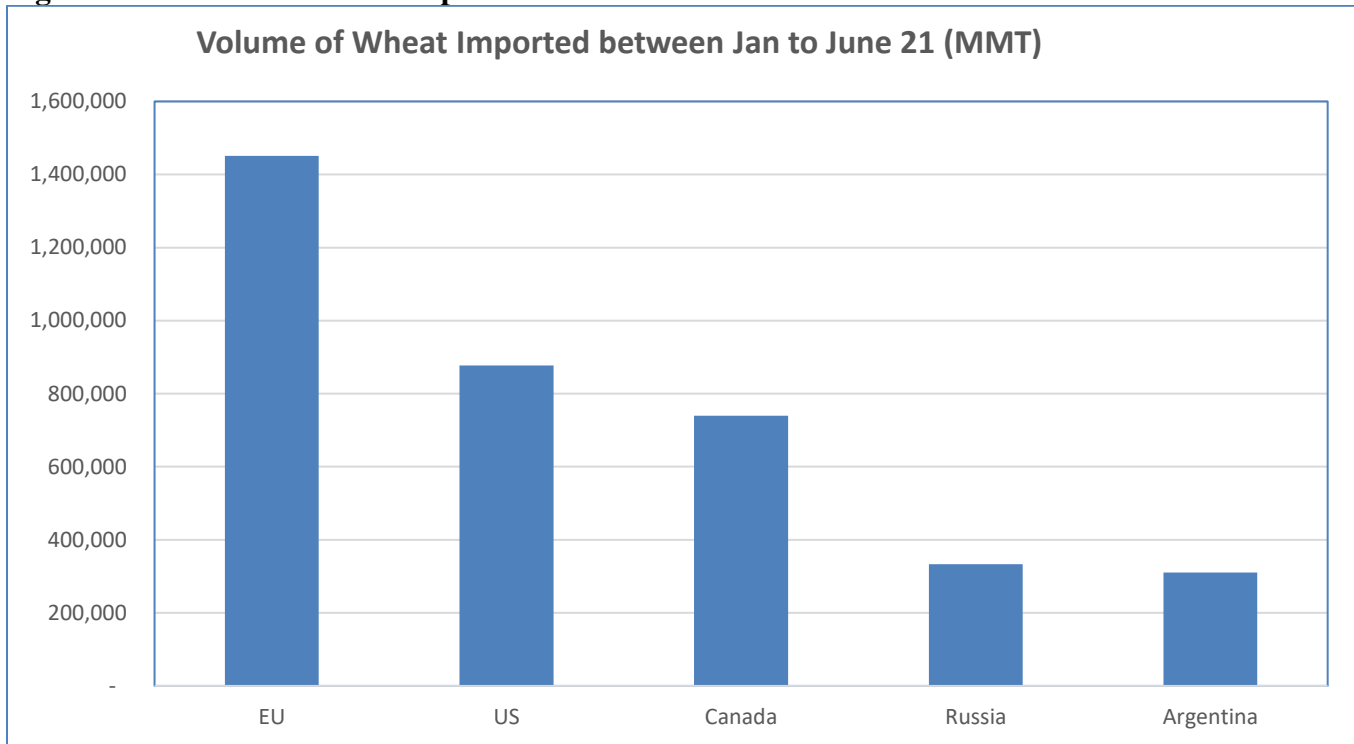
FAS Lagos estimates MY2021/22 wheat imports at 6.4 million metric tons (MMT), a 10 percent increase compared to the USDA figure. An acute shortage of dollar continues to add extra cost to flour, bread, and other wheat flour-based products.

The price of wheat influences market share of major suppliers. European Union, United States, Black Sea countries, Canada, Russia, and Argentina are the major suppliers of wheat for flour milling in Nigeria. Black Sea wheat exports to Nigeria have increased over the past years due to lower prices. To reduce the domestic price of wheat flour and sustain profitability, most Nigerian flour mills have shifted to buying cheaper wheat from Latvia and Lithuania. Mills are enhancing their practices of blending cheaper, low-quality wheat with more expensive high-quality Hard Red Winter from the United States. Last year, Nigeria was the fifth largest importer of U.S. wheat.

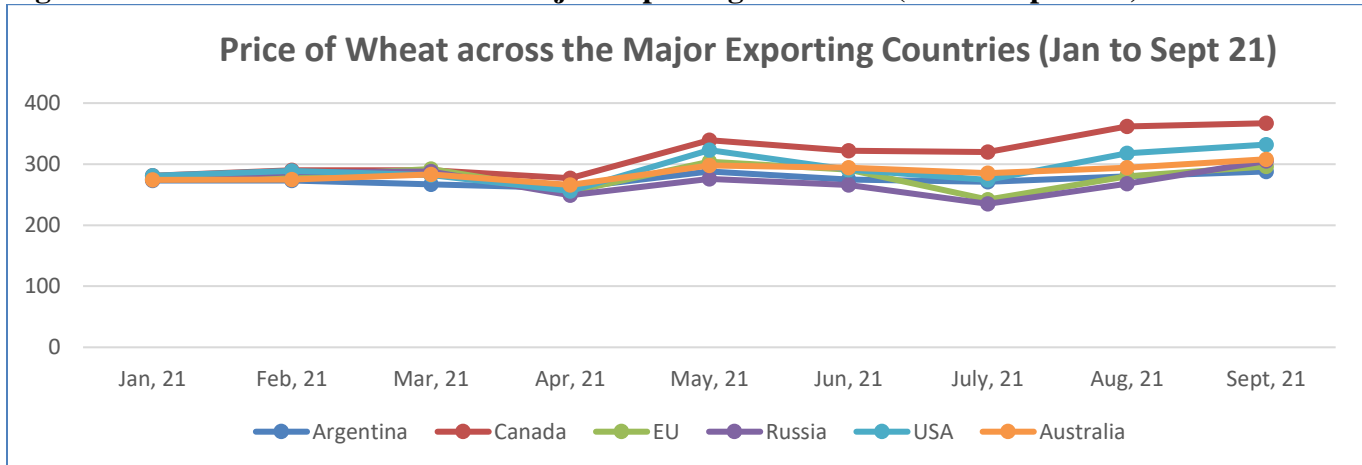
Figure 2 – Wheat Exporting Countries to Nigeria



Source: Trade Data Monitor (TDM)

Figure 3 – Volume of Wheat Imported between Jan to June 2021

Source: National Bureau of Statistics

Figure 4 – Price of Wheat across the Major Exporting Countries (Jan to Sept 2021)

Source: USDA Global Markets and Trade

Exports

Currently, Nigeria does not export wheat, even with increased production growth this year. However, there are informal sale outflows of Nigerian wheat flour through major trade centers in northern Nigeria into landlocked neighboring Sahel countries. This practice has been increasing mostly amid Nigeria's currency devaluation that is resulting in attractive prices. Since March 2020, the central bank has devalued the naira three times. Nigeria's locally planted durum wheat has coarse texture - usually not preferred by commercial bakers. Additionally, flour millers usually sell domestic wheat flour to locals

who use it to make staple foods such as Taliya and Gurasa. Wheat consumption is very common in Nigeria's northern region – including areas extending into Chad, Niger, and Cameroon.

POLICY

Generally, Nigeria is a net importer of wheat. The country imposes a 5 percent tariff on wheat imports, plus an additional 15 percent levy (earmarked for the national wheat development program) for a total 20 percent duty. Despite the preferences of Nigerian millers for imported wheat, there is a constant government focus on reducing wheat imports by 50 percent. Recently, the Ministry of Agriculture underscored its commitments to reduce wheat imports, enhance food security, and conserve foreign exchange. The central bank is working closely with flour millers on developing backward integration program to enhance wheat self-sufficiency.

In Nigeria, central bank policies are used to curb food imports. In April 2021, the CBN Governor hinted that wheat importers might be restricted from accessing foreign exchange. Meanwhile, the Flour Milling Association of Nigeria (FMAN) and Wheat Farmers Association of Nigeria (WFAN) continue to express their solidarity with the government's backward integration project. Flour milling companies are investing in backward integration as a business diversifying strategy. Furthermore, the government's backward integration strategy is also targeting farmers through outreach support to increase wheat yields. Recently, an award ceremony was held in Jigawa State, northwest Nigeria to celebrate improved wheat yields harvest among the farmers.

STOCKS

FAS Lagos estimates MY2021/22 stocks be maintained at 789,000 metric tons (MT) and 139,000 metric tons (MT) for beginning stocks and ending stocks, respectively. Moreover, flour millers are only getting tranches of their foreign exchange transactions settled by the CBN. This situation has hampered milling companies' ability to maintain a high inventory of raw materials and finished products. The constant devaluation of local currency is affecting stocks daily.

CORN

Production, Supply and Distribution Table

Corn Market Year Begins Nigeria	2019/2020		2020/2021		2021/2022	
	Oct 2019		Oct 2020		Oct 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	6500	6500	5500	5500	6000	6100
Beginning Stocks (1000 MT)	322	322	222	222	222	222
Production (1000 MT)	11000	11000	10000	10000	11000	11500
MY Imports (1000 MT)	250	250	500	300	500	200
TY Imports (1000 MT)	250	250	500	300	500	200
TY Imp. from U.S. (1000 MT)	33	33	0	0	0	0
Total Supply (1000 MT)	11572	11572	10722	10522	11722	11922
MY Exports (1000 MT)	100	100	50	50	50	100
TY Exports (1000 MT)	100	100	50	50	50	100
Feed and Residual (1000 MT)	1900	1900	1650	1650	2000	3000
FSI Consumption (1000 MT)	9350	9350	8800	8600	9400	8450
Total Consumption (1000 MT)	11250	11250	10450	10450	11400	11450
Ending Stocks (1000 MT)	222	222	222	222	272	372
Total Distribution (1000 MT)	11572	11572	10722	10522	11722	11922
Yield (MT/HA)	1.6923	1.6923	1.8182	1.8182	1.8333	1.8852

(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 2021/2022 = October 2021 - September 2022

PRODUCTION

Corn accounts for the majority share of Nigeria's coarse grain production. FAS Lagos estimates Nigeria's MY2021/22 corn production at 11.5 million metric tons (MMT), a roughly 4.5 percent increase compared to 11 million tons (MMT) forecast by USDA. The increment occurred because of good weather condition across the country and availability of early maturing maize variety (75 days). In Nigeria, corn production is rain-fed, and the planting season starts in mid-March through mid-June annually - March/April in the South and May/June in the North. The crop matures within 3 months of planting. The country's insecurity situation is still a primary concern across the corn belt, but the availability of early maturing maize has made it possible for farmers especially in the south and north central to plant two crop per year - early and late maize.

MY2021/22 area harvested is about 6.1 million hectares (MH), up by about a 2 percent increment compared with 6.0 million hectares (MH) in MY2020/21 by USDA. The high price of corn in the market is a motivating factor for farmers to increase production. However, the fear of abduction and kidnapping are making farmers afraid to venture into active farming.

MY2021/22 yield per hectare increased slightly to 1.88 tons per hectare from approximately 1.83 tons per hectare recorded the previous years by USDA. FAS Lagos attributes the increased yields to the five years of GON's increased collaboration with National Agricultural Seeds Council, National Biotechnology Development Agency, agricultural research institutes, and reputable seed companies. This collaboration has focused on developing and introducing improved seeds to farmers. The seeds and seedlings are also resistant to the crop-destroying Fall Army Worm (*Spodoptera exempta*), which has constrained corn productivity across Nigeria and the entire West African region for more than five years. Additionally, market sources report an increasing use of hybrid corn. The recently signed Plant Variety

Protection (PVP) Law will allow the flow of new and improved varieties of seeds to the sector. Corteva, a US Company that works in corn production is making inroads into Nigeria with corn producers.

CONSUMPTION

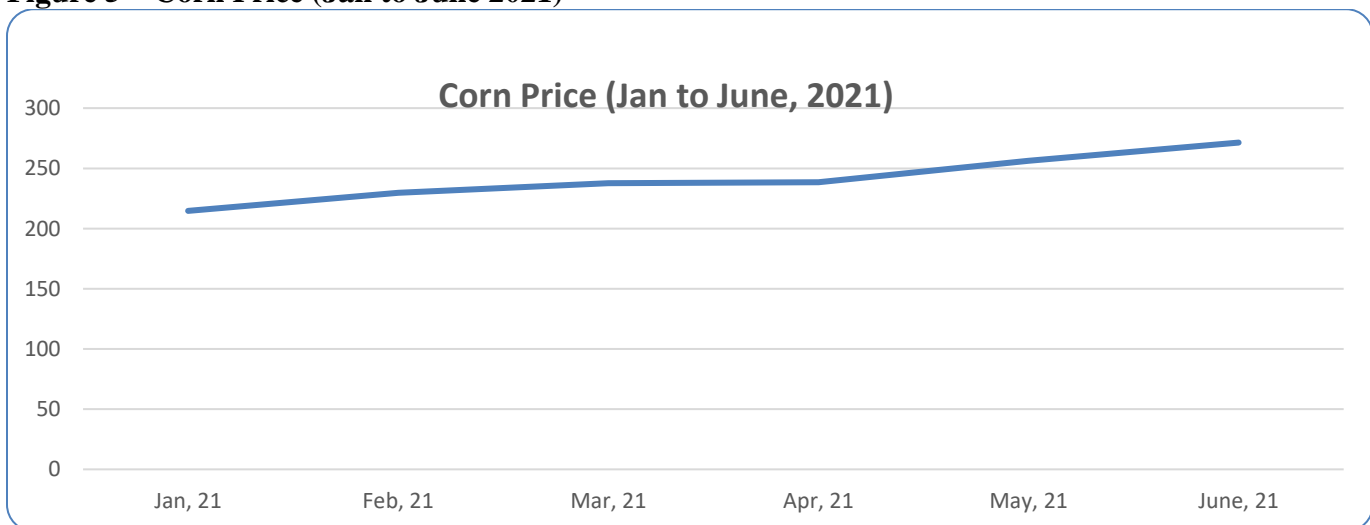
Post estimates MY2021/22 consumption estimate at roughly 11.45 million metric tons (MMT), an estimated 0.4 percent increase compared to USDA's figure of 11.40 million metric tons (MMT) figure for MY2020/21.

Corn constitutes the staple meal for a significant number of Nigerians and is the most critical ingredient in producing animal and aquaculture feed. Nigeria's corn consumption occurs in the form of corn flour, confectionery, roasted corn, boiled, or prepared as porridge. Green (fresh) corn is also boiled or roasted on its cob and served as a snack. Household consumption accounts for 10-15 percent of total consumption, while the remainder goes towards food manufacturing. Over 25 percent of Nigeria's corn production goes into animal feed, especially for poultry feed. Nigeria's expanding poultry sector is expected to boost corn production and consumption. On the other hand, high domestic corn prices threaten Nigeria's poultry sector as consumers resist any increase in poultry product prices.

Prevailing higher corn prices are making it difficult for poultry farmers to survive in business. Poultry feed comprises about 60-65% of corn. High domestic corn prices are causing ripples across the poultry sector. Many small-scale poultry farmers are thinning out of production due to high feed price. According to the Poultry Association of Nigeria (PAN), poultry farmers who continue to operate are now concentrating on broiler production (meat) because of its short gestation period unlike egg production that takes longer period.

Starting February 2021, the Central Bank of Nigeria (CBN) released 3 tranches of corn comprising 50,000 metric tons each from its strategic reserves with the aim of bringing down the price of corn in the market and reduce food inflation. The action provided a temporary relief as the price of corn was reduced by 20 percent. However, the lull in high feed cost was short-lived because corn demand surpassed supply.

Figure 5 – Corn Price (Jan to June 2021)



Source: National Bureau of Statistics 2021

TRADE

Imports

Post estimates imports value for MY2021/22 at 200,000 metric tons (MT), a downward reduction from 300,000 metric tons (MT) recorded last marketing year by Post. In 2020, the government approved corn imports to alleviate a poultry feed shortage. However, it is highly unlikely that the government will approve corn imports this year. The few imports that will occur in this marketing year will be from private individuals like Olam, Flour Mill of Nigeria. These major flour millers have other sources to generate forex to pay for imports amid the CBN restriction on official forex for corn imports.

Exports

FAS Lagos estimates MY2021/22 corn exports at 100,000 metric tons (MT) as against 50,000 metric tons (MT) estimated by USDA in the previous year. Nigeria bans the export of corn. However, the informal trade between Nigeria and Sahel countries occurs. Despite constraining factors such as high transportation costs and insecurity, traders are capitalizing on exports. The prices of the latter are considerably higher than domestic prices due to Nigeria's dual currency devaluations. However, market sources indicated that Nigeria's corn exports are mostly informal across countries in the Sahel region and West Africa neighbors.

POLICY

Nigeria has maintained a 5 percent tariff on imported corn for more than a decade and implements stringent import permit requirements. Through the CBN's Anchor Borrowers Program (ABP) – (low interest loans to farmers to boost production), the government supported the Maize Growers Association of Nigeria to cultivate 500,000 hectares of land in 2021.

The government is also supporting GE corn confined field trials in Kaduna, Northern Nigeria. These confined field trials highlight the superior insect protection qualities of transgenic corn compared to non-GE varieties. After the field trials are concluded, research data will be presented to National Biosafety Management Agency (NBMA) for review and approval.

STOCKS

Post estimates MY2021/22 opening and closing stocks at 222,000 metric tons (MT) and 372,000 metric tons (MT) respectively.

RICE

Rice Production, Supply and Demand Data Statistics

Rice, Milled Market Year Begins Nigeria	2019/2020		2020/2021		2021/2022	
	Oct 2019		Oct 2020		Oct 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3500	3500	3600	3600	3650	3650
Beginning Stocks (1000 MT)	1222	1222	812	812	702	702
Milled Production (1000 MT)	5040	5040	4890	4890	5000	5000
Rough Production (1000 MT)	8000	8000	7762	7762	7937	8000
Milling Rate (.9999) (1000 MT)	6300	6300	6300	6300	6300	6300
MY Imports (1000 MT)	1400	1400	1900	1900	2000	2100
TY Imports (1000 MT)	1800	1800	1900	1900	2000	2100
TY Imp. from U.S. (1000 MT)	1	1	0	0	0	0
Total Supply (1000 MT)	7662	7662	7602	7602	7702	7802
MY Exports (1000 MT)	0	0	0	0	0	50
TY Exports (1000 MT)	0	0	0	0	0	50
Consumption and Residual (1000 MT)	6850	6850	6900	6900	6950	7100
Ending Stocks (1000 MT)	812	812	702	702	752	652
Total Distribution (1000 MT)	7662	7662	7602	7602	7702	7802
Yield (Rough) (MT/HA)	2.2857	2.2857	2.1561	2.1561	2.1745	2.1918

(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 2021/2022 = January 2022 - December 2022

PRODUCTION

Post estimates MY 2021/22 rice rough production at 8 million metric tons (MMT), a 1 percent increase compared to the previous year. Nigerian farmers are increasingly moving from a singular seasonal rice farming to 2 crops per season. Dry season farming thrives better than wet season because production variables can easily be controlled unlike wet season where flood or protracted drought can wreak havoc on production. However, wheat cultivation is gradually competing with rice farming for land availability especially in Kebbi and Kano States as some rice farmers switched to producing wheat this year due to the financial support provided by the government, wheat millers and the CBN.

MY2021/22 area harvested is up slightly compared to the previous year because of increment in rice production in the southern part of the country. Yield in MY2021/22 increased marginally based on good weather and improved management practices. Rice varieties (Faro 44 and 45) are increasingly performing quite well, and farmers are implementing good agricultural practices to improve the yield per hectare.

CONSUMPTION

Post estimates MY 2021/22 rice consumption at 7.1 million metric tons (MMT), a 2 percent increase from last year. Market sources indicate that the uptick is attributed to changes in the consumption pattern of Nigerians towards foreign rice – especially basmati and locally produced, ofada rice. Currently, Nigeria urban consumers prefer India basmati and Nigeria ofada rice – especially during festive periods. It is commonplace to see varied basmati rice packs in supermarkets and malls in major cities.

However, the bulk of the consumers still prefer long grain parboiled rice, which is widely consumed by the middle class in cities across the country. In Nigeria, rice consumption is high during festive seasons and ceremonies.

Other uses for rice and rice products are being developed in Nigeria. Broken rice consumption is gaining traction as Nigerians continue to create food recipes from it especially by using value addition products like rice flour. An energy efficient rice cooking cylinder that predominantly uses rice husks is being developed for rural families in the northern part of the country. This appliance will help to prevent deforestation, which produces firewood for rice cooking across the country.

TRADE

Imports

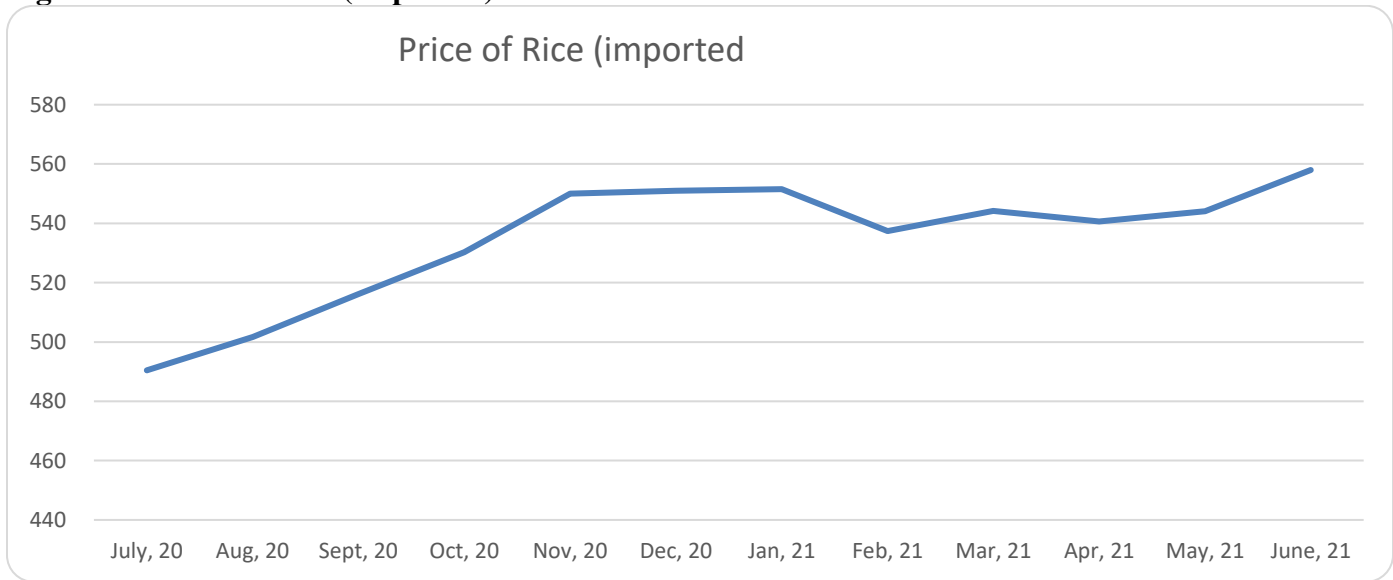
FAS Lagos estimates MY2021/22 imports to be 2.1 million metric tons (MMT) compared to USDA's 1.9 million metric tons (MMT) projection for last year. Growth in consumption is partially satisfied by a larger domestic crop. Currently, Nigerian rice consumers still prefer parboiled long grain rice from Thailand and India, which continues to enter the Nigerian market through grey channels (unofficial routes) and are freely sold in the dominant traditional open-air markets and street/corner shops. The current import tariff varies according to the stage the importer is situated in the value chain. A rice trader will pay import duty of 10% and levy of 50% while an integrated miller with verified backward integration program will pay import duty of 10% and levy of 20% for importing rice paddy.

POLICY

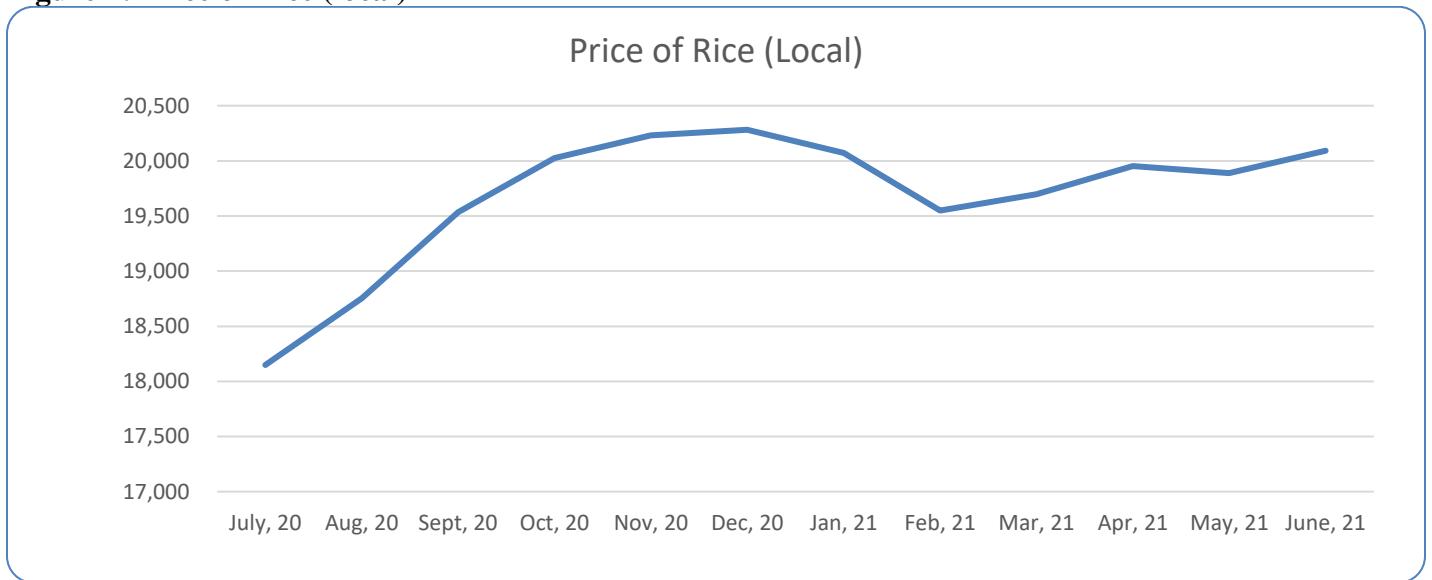
Nigeria continues to pursue a rice self-sufficiency policy. On several occasions and at different local and international fora, GON representatives continue to express the success of ABP, the forex bans on reducing rice imports. Additionally, the government views the border closure (August 19, 2019, through December 16, 2020) as a critical factor in helping the country reach rice self-sufficiency.

STOCK

In June 2021, the CBN released about 27,000 metric tons of paddy to rice millers to reduce the rising market prices of rice paddy – to curb food price inflation. The release did not make any positive effect on the soaring rice prices.

Figure 6 – Price of Rice (Imported)

Source: National Bureau of Statistics (Price in Naira)

Figure 7: Price of Rice (local)

Source: National Bureau of Statistics (Price in Naira)

SORGHUM

Production, Supply and Distribution Table

Sorghum Market Year Begins Nigeria	2019/2020		2020/2021		2021/2022	
	Oct 2019		Oct 2020		Oct 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	5900	5900	5600	5600	5700	5800
Beginning Stocks (1000 MT)	152	152	117	117	87	87
Production (1000 MT)	6665	6665	6570	6570	6800	7000
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)	6817	6817	6687	6687	6887	7087
MY Exports (1000 MT)	50	50	50	50	50	50
TY Exports (1000 MT)	50	50	50	50	50	50
Feed and Residual (1000 MT)	150	150	150	150	150	200
FSI Consumption (1000 MT)	6500	6500	6400	6400	6500	6700
Total Consumption (1000 MT)	6650	6650	6550	6550	6650	6900
Ending Stocks (1000 MT)	117	117	87	87	187	137
Total Distribution (1000 MT)	6817	6817	6687	6687	6887	7087
Yield (MT/HA)	1.1297	1.1297	1.1732	1.1732	1.193	1.2069
(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 2021/2022 = October 2021 - September 2022						

PRODUCTION

In recent years, smallholder farmers have witnessed increased profitability in sorghum production. FAS Lagos estimates Nigeria's sorghum production in MY 2021/22 (October-September) at 7 million metric tons (MMT), up slightly from the last marketing year. Post estimates MY2021/22 area harvested at approximately 5.8 million hectares (MH) compared to 5.7 million hectares (MH) forecast USDA official figure recorded the previous year. Post estimates MY2021/22 yield per hectare at roughly 1.20 tons; a marginal increase compared to last year forecast of roughly 1.19 tons for MY2020/21.

The guinea sorghum is the most widely cultivated and adaptable grain which is common in Nigeria's savannas ecological zone. Early maturing variety is gaining prominence due to the unspotted color of the grain during harvest.

CONSUMPTION

FAS Lagos estimates Nigeria's total sorghum consumption (including food, feed, and industrial usage/FSI) in MY 2021/22 at 6.9 million metric tons (MMT), an increment of 3 percent compared to approximately 6.6 million metric tons (MMT) recorded the previous year by USDA. Sorghum is widely consumed by most households, especially in the north, and is widely used by various industries. Additionally, sorghum is proving its worth as a valuable source of food assistance – as a suitable food ration for internally displaced people across the northern part of the country.

Industrial end users are predominantly companies producing beverages, cereals, and confectionery. Increasingly, a small percentage of the grain is also used for animal feeds. Industrial demand for sorghum by beverage, cereal, and confectionery producers is the major driver in the sorghum

market. Industrial sorghum users are increasingly utilizing the less expensive sorghum-based intermediate products to lower costs.

TRADE

Nigeria does not import sorghum but imposes a five percent tariff on sorghum imports (HS Code: 100700). Post estimates MY2021/22 exports to remain flat at 50,000 tons (MT). Currency devaluation results in competitive prices of Nigeria's sorghum in the Sahel region (especially, to Niger and Chad) where the sorghum is also a widely consumed staple.

Though Nigeria is the second largest producer of sorghum in the world after the USA, the country is unable to generate significant earnings in the export market, which is dominated by the U.S, followed by France and Argentina. These exporting countries have amassed huge returns in the billion-dollar sorghum industry.

Weak market information is hampering the development of Nigeria's sorghum industry and its relevant value chains. In 2020, sorghum failed to make the list of Nigeria's top agricultural commodities according to the National Bureau of Statistics (NBS).

Attachments:

No Attachments