



Advocacy Note: Change of Transfer Value for Food Assistance

Fourth Edition; Updated 02 June 2022

1. Background

Nigeria's annual inflation rate accelerated for the third straight month to 16.82% in April of 2022, from 15.92% in the prior month. It was the steepest inflation rate since August 2021, driven by the prices of food and non-food products. Like most African countries, Nigeria is grappling with rising prices of food, as the continent is still largely dependent on agricultural imports, especially grains. Also, soaring diesel prices and the ongoing dollar shortage contributed to the upward trend in inflation. Food inflation rose to 18.37% in the review month, an increase compared to the 17.2% recorded in the preceding month (National Bureau of Statistics, Nigeria, April 2022).

According to WFP April 2022 Market Monitoring Report in Borno and Yobe states, the value of the Naira in the parallel market continued to depreciate as the exchange rate rose from N587 to a dollar on the 31st of March to N589 on the 30th of April 2022.

In Maiduguri Metropolitan Council (MMC) and Jere for instance, the partner's monthly monitoring indicated that the cost of Minimum Expenditure Basket (MEB) for food MEB has increased by about 35% as of May 2022, as compared to June 2021 when the transfer value was last reviewed. This has negatively impacted food access by the already vulnerable households supported by the various government and non-government partners.

2. What are the thresholds for changing the Food Basket Transfer Value?

The Food Security Sector guidance indicates that partners can review the Transfer Value if the Transfer Value provided to beneficiaries has changed (reduced or increased) by (-/+) 15% as compared to the prevailing market calculation, as indicated by the various food price monitoring in the local markets.

3. Trend of changes in Food Basket Transfer Value since 2020

In August 2020, partners through bi-weekly monitoring of food prices noticed a sustained change in the cost of Food Minimum Expenditure Basket which was over +15% above the respective partners Transfer Values to beneficiaries. This was necessary and sufficient to trigger change in the Transfer Value which led to the first edition of [Advocacy Note \(September, 2020\)](#) for Increase in Transfer Value.

In March 2021, food prices continued to increase generally. However, in Gubio Local Government Area specifically, the cost of the food MEB has exceeded the September 2020 Advocacy Note Values by over +15% for about 3 months of biweekly market monitoring by the partner (Catholic Relief

Services, January 2021), hence requiring an upward [increment of the Transfer Value for Gubio in March, 2021](#) to ensure households can meeting the necessary food requirements.

In June 2021, the food prices continued to increase. The bi-weekly monitoring of the prevailing cost of Food Minimum Expenditure Basket for the base markets in Maiduguri Metropolitan Council (MMC), indicated that new prevailing market cost was 6,421 Naira and 4,495 Naira, as the 100% and 70% prevailing cost of Per Capita (Per Person) Food MEB and Transfer Value respectively, which were over 20% the September 2020 recommended Transfer Value, hence meeting the threshold for increase in food Transfer Value. This led to a third round [advocacy note to increase transfer values in June 2021](#).

As at May 2022, the cost of the food basket in MMC/Jere is at 8,694 Naira, which is a 35% increase as compared to the last increased made in June 2021 above

4. Updated Methodology for calculating Food Minimum Expenditure Basket

The updated methodology involves calculating the income gaps by subtraction the annual household incomes from the annual cost of the minimum food basket for food, with figures from the recently concluded Household Economy Analysis Results. Therefore, partners cover only the gaps.

5. Updated Recommended transfer values as of June, 2022

- Therefore, **the updated per capita Transfer will be 4,844 Naira** from the previously recommended 4,495 Naira (June 2021) for the following locations: Kaga, MMC, Jere, Konduga, Gubio.
- **Magumeri cost of food basket is highest** and the transfer value will be at **5,394 per capita**

NB: HH total transfer value calculations remain as before: Sizes 1 -3; 4 – 8; Above 8

- For deep field locations in Borno State, including locations outside Borno State, no change so far pending feedback, and proposed way forward from actors in those locations.

6. References

Nigeria national Bureau of Statistics (April 2022)

WFP Yobe and Borno Market Monitoring (April 2022)

Save The Children Monthly Market Food Price Monitoring (May 2021)

Save The Children Household Economy Analysis Outcome Report (February 2022)

Catholic Relief Services Monthly Market Price Monitoring (May 2021)

Mercy Corps Monthly Market Food Price Monitoring (May 2021)

Food Security Sector Food Assistance Taskforce Members: *Mercy Corps, Catholic Relief Services, Action Against Hunger, ZOA, Save The Children, Norwegian Refugee Council, Danish Refugee Council, World Food Programme, International Medical Corps, INTERSOS, ACTED, JDPC, GREENCODE, SWNI, CCDRN, CARE, Christian Aid, Cash Working Group*