



Advocacy Note: Change of Transfer Values for Food Assistance – September 2020

1. Background

Following the confirmation rapid increase of COVID-19 cases in Nigeria in March 2020, this has had significant effects on the economy and food access (especially for the vulnerable households) respectively. According to FEWSNET August 2020, Macroeconomic conditions have deteriorated sharply, following the drop in international oil demand, which led to a decline in revenue; the subsequent depreciation of the NGN has pushed up staple food prices. As a result of higher food prices, in combination with reduced access to income given movement restrictions, poor households are facing increased difficulty accessing food.

The food prices and annual inflation have continued to increase from March 2020 up to date (August). In July, Nigeria's annual inflation rate rose for a tenth straight month to 12.6% in June of 2020 from 12.4% in the prior month (WFP Monthly Market Monitoring Borno and Yobe, July 2020). Market monitoring by various partners has indicated a significant increase in food prices. For instance, the between May and July 2020, according to the WFP July Market Monitoring, the **price of local rice** which has continued to increase over three months in most markets of Borno, with Bullumkutu (19%), Baga (24%), Monday (30%) and Abbaganaram (31%). Similarly in Yobe, prices increased in Potiskum (16%), Nguru (18%), Gashua and Geidam (25%), Bursari and Gujba (38%) and Gulani (67%) being the notable cases. Over the last three months, **the price of red beans** did show a significant increase in some of the markets. In Borno, prices increased in Budum (20%), Kasuwan Shanu (26%), Bullumkutu (27%) and Baga (29%) markets. Also in Yobe, the retail price of red beans increased in Gashua (28%), Nguru (35%), Potiskum (38%) and Bursari (76%) markets. Furthermore, the **prices of maize** increased in Custom (13%), Tashan Bama (14%), Budum (25%) and Kasuwan Shanu (36%). In Yobe, maize prices increased in Bursari (25%), Gujba (29%), Geidam (33%), Gulani (47%), Potiskum (83%), Gashua and Nguru (85%) markets.

Ultimately, this has led to an increase in cost of the Minimum Expenditure Basket (MEB) for food, reducing the food access by the already vulnerable households supported by the various government and non-government partners. In Maiduguri for instance, the Save The Children monthly monitoring indicated that the cost of MEB increased by about 47% between March and August 2020 (Pre and Post COVID).

The Food Security Sector guidance indicates that partners can change the Transfer Values if the transfer value has changed by ± 15 as compared to the prevailing market MEB calculation, as indicated by the various price monitoring in the local markets. By the end of July 2020, no partner had reported reaching this point of change of transfer value as a result of change in market prices, despite prices having increased consistently by month to month comparison. However, in August, partners had noticed changes in the MEB which were +15% above the respective transfer values, which were necessary and enough to trigger change in the transfer value.

2. Recommendation

The Change in Transfer Value is recommended by the Food Security Sector Food Assistance Taskforce (COVID-19) for the following reasons:

1. To guarantee that the beneficiaries will continue accessing the necessary food required to meet the required daily kilo calories per person.
2. This will also allow the partners to calmly monitor the prices without the panic, given that the transfer values would be within acceptable ranges to guarantee food access for the beneficiaries.
3. Even though we expect harvests to start in around October, it is less likely the cost of food prices will immediately significantly drop given that various reports indicate that the current crop season would also be affected by the floods in some parts of the country. Additionally, the start of the crop season was also affected due to late planting, difficulty in movements of labor. All this will be confirmed by the final post-harvest reports that will be released by partners.
4. Other key input prices for crop production such as fuel and fertilizer costs have been on the increase as well. Therefore, those price increases in inputs will most likely continue affecting food prices into the next dry season farming.

3. Going Forward

Based on the above, the Food Security Sector Food Assistance Taskforce (COVID-19) through monitoring of prices recommended to update the transfer values of respective partners in Maiduguri Metropolitan Council (MMC) to 5,310 Naira and 3,717 Naira as the 100% and 70% per capita value. This is based on the current MEB indicated by market prices collected in mid-August 2020.

For LGAs around Maiduguri and the deep field LGAs where food assistance is provided through Cash Voucher Assistance (CVA), and market price monitoring indicates that the Per Capita values are lower than MMC above, the transfer values in those respective LGAs will be brought up to the same level as MMC above (5,310 Naira and 3,717 Naira as the 100% and 70% per capita value). This is because it is expected that MMC is the main supply market for majority of the LGAs in Borno State. Therefore, areas where prices would be lower than MMC is most likely not real market prices, but as a result of sale of humanitarian assistance at lower prices hence making those prices artificial hence lower.

For areas where partners monitor and notice a higher MEB than MMC, then the higher MEB will be reviewed and maintained at that value higher than MMC to ensure access to food by the vulnerable households.

Partners are encouraged to ensure sensitization with all beneficiaries about the increase in Transfer Value, but also inform them that in event that the MEB reduces as indicated by the continuous market monitoring, the Transfer Values will be reduced accordingly.

Partners will include either fuel for cooking either in-kind or 2,000 Naira per month in addition to the food basket.

Annex

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References

1. [Nigeria Food Security August 2020 Alert – FEWSNET](#)
2. [WFP July 2020 Market Monitoring \(Borno and Yobe\)](#)

Food Security Sector Food Assistance Taskforce Members (COVID – 19): *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, National Emergency Management Authority (NEMA)*

¹ The disrupted movement of cross-state and cross-border (from Niger, Chad, and Cameroon to Nigeria) migratory agriculture laborers due to movement restrictions and border closures, reportedly decreased the supply of agricultural labor in some areas of the country (World Bank June, 2020)

Households reported a sharp decrease in both agricultural and non-agricultural labor demand and wages (World Bank June, 2020).

Nearly 20 percent of respondents reported cultivating less land than they typically do, with nearly 10 percent indicating that they planted fewer crops. This, in addition to the conflict in the north, is likely to lead to a below-average national main season production (World Bank June, 2020).

Nigeria Food Security August 2020 Alert - FEWSNET¹