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# Nigeria Food Security



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Babban Gona is pleased to present the 2021 edition of the Nigeria Food Security White Paper. This is the first white paper presentation from Babban Gona delving into Food Security in Nigeria. The study examines the unemployment in Nigeria as one of the root causes of violence which in turn causes chronic food shortages, erratic food supply, and price inflation. This report focuses on Babban Gona's areas of operation in Nigeria.

Food security 'exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life.' For food security to exist,

food must be available; accessible physically, economically and socially; nutritionally utilizable and stable in terms of its availability, accessibility and utilization.

Food insecurity arises when any one of these four pillars are not satisfied. In Nigeria, the causes of food insecurity are multifaceted, emerging from its socio-political history, its oil-dependent economy, the underdevelopment of its food production capability and subsequent dependence on imported food products. Ongoing socio-political instability, economic downturn and poor governance have served to exacerbate an issue that spans over 40 years.

The Food and Agriculture Organization (FAO) in a recent report highlighted that, "In conflict-hit Northern Nigeria,

projections for the June-August lean season show that the number of people in emergency levels of acute food insecurity is likely to almost double - to over 1.2 million - since the same period last year. In the next six months, food and nutrition insecurity is set to rise considerably in Northern Nigeria with some 13 million people affected unless food and livelihood assistance is scaled up."

With a booming population, growing inflation, inadequate employment for its youth and rising levels of insecurity and extremism, Nigeria is on the precipice of a food security crisis that requires urgent and immediate attention.



# The Growing Food Security Crisis

Nigeria’s population currently stands at over 200 million, equivalent to 2.64% of the total world population, making it the most populated country in Africa and 7th in the world.

Between 1965 and 2020, the number of people living in Nigeria has consistently increased at a rate above two percent per year. It has been projected that by 2050, the population will reach 400 million people. As the population continues to grow, it is becoming increasingly challenging for Nigeria’s food supply to meet demand. Despite boasting the largest economy in the region, Nigeria ranks 98 out of 107 countries in 2020 Global Hunger Index with a score of 29.2 out of 100 points. The National Bureau of Statistics (NBS) ‘2019 Poverty and Inequality in Nigeria’ report defines an individual living on less than 137,000 Nigerian Naira (approx. 382 U.S. dollars) per year as living below the poverty line. In 2019, 40.1% of the total population or 82.9 million people were classified

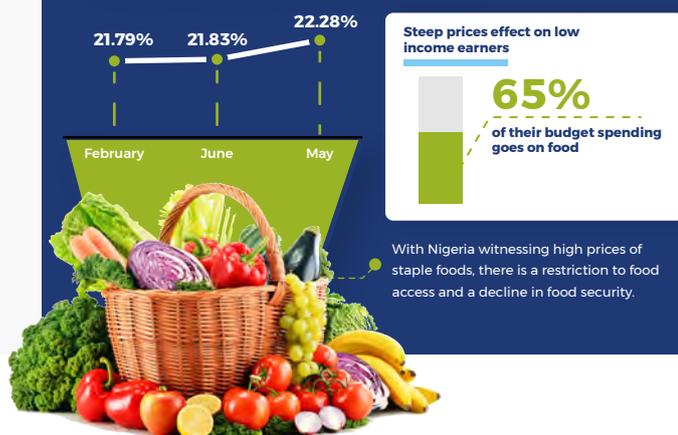
as living below the poverty line. Poverty is especially severe in rural areas, at 44.9%. An analysis of household food expenditure in 2019 reveals that starchy roots, tubers and plantains, rice, vegetables, fish and seafood, grains and flours were the top food items purchased, accounting for a combined 59.19% of food expenditure and 24.8% of total household expenditure. In addition to significant rates of poverty, Nigeria is witnessing a rise in the price of staple foods, according to the National Bureau of Statistics. While overall inflation sits at 17.75 per cent, food inflation jumped to 22.28 per cent in May 2021, compared to 19.56 per cent in December 2020. Nigeria’s heavy reliance on imported food products has contributed to these

soaring prices. Between 2020 and 2021 the cost of Nigeria’s imported agricultural products went up by 140%, spiking 18.37 percent in the first quarter of 2021 compared to the last quarter of 2020. Of the total agricultural import value, Nigeria spent N258.3 billion on wheat importation alone in the first three months of 2021, representing 3.8 percent of the total import share for the same period. Overall, Nigeria spent N630.2 billion importing agricultural products while only managing to export a meagre N127.2 billion in locally produced agricultural goods. The emergence of socio-political conflict and insecurity has become a major threat to Nigeria’s food security in recent months. Many farmers in rural communities across the country have been deprived of access to their

## World Population Ranking 2021 (Nigeria)



## FOOD INFLATION RATE 2021





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farmlands for fear of either being kidnapped for ransom or being attacked or killed by herders. This insecurity in Northern Nigeria has contributed to a rise in migration to cities from 47% to 52%, contributing to a rise in the unemployment rate to 32.5%. Young people lack economic opportunities and sporadic civil unrest worsens poverty and malnutrition. These unemployed youths are at risk of being recruited to conduct violent acts perpetuated in different regions in Nigeria. It is our believe at Babban Gona that the best way to disrupt this downward spiral of poverty and violence is to create opportunities for dignified and fulfilling work for the very demographic at the risk of being led astray.

The subsequent shift in consumption patterns has contributed to a shift in employment within the food production system: fewer people are working in agriculture while more are working in transport, wholesaling, retailing, food processing and vending, further undermine Nigeria's food production capacity. Of those remaining in food production, more than 80% of smallholder farmers are struggling to adopt labour-saving technologies that would increase food generation capacity and prefer instead to rely on subsistence farming practices.

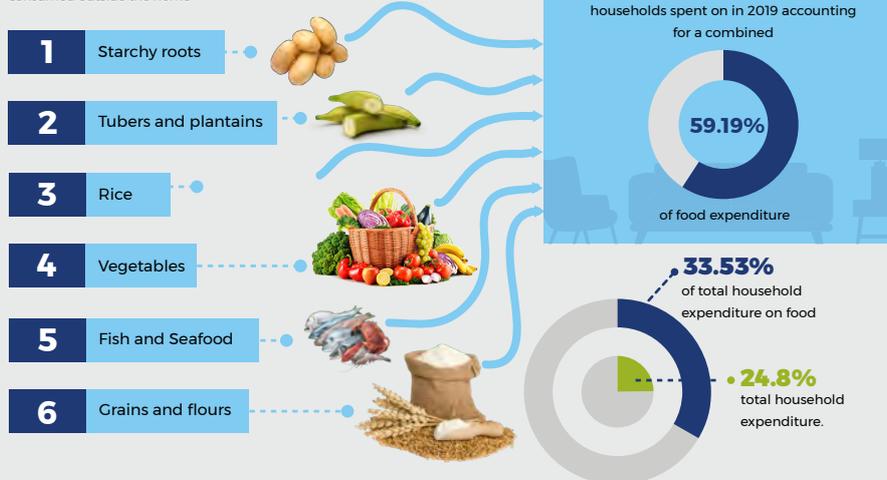
This burgeoning food insecurity crisis has now been exacerbated by the impacts of the COVID-19 pandemic. Between March and May this year,

approximately 9.2 million people in Nigeria were confronted with crisis levels of food insecurity amid rising conflict, climate change and the effects of COVID-19, an estimated 3.2 million of whom are located in Adamawa, Borno and Yobe states. This number has since been revised to more than 12.8 million people, with 4.4 million located in the three northeastern states.

It is clear that large-scale systemic solutions are required to arrest this growing emergency.

### Food expenditure by Household

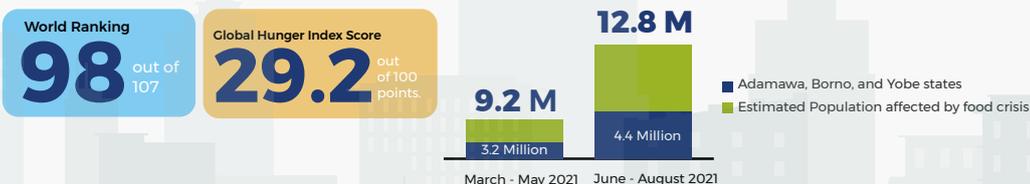
Food expenditure by households in 2019 reveals that various foods consumed outside the home



### The urbanization in Nigeria



### 2020 Global Hunger Index (Nigeria)



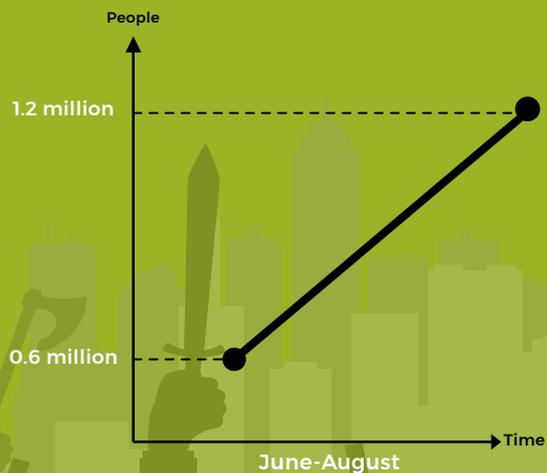
### Poverty Level



Poor Nigerian

Yearly income  
≈ **\$361**

### The Food and Agriculture Organization (FAO) in a recent report



In conflict-hit northern Nigeria, projections for the June-August lean season show that the number of people in emergency levels of acute food insecurity is likely to almost double



## Nigeria's Underutilized Economic & Food Production Engine

Nigeria has an arable land area of 34 million hectares, and agriculture accounts for over 20 percent of Nigeria's Gross Domestic Product. The country is a leader in various types of agricultural production, such as palm oil, cocoa beans, pineapple, and sorghum. It is the largest producer of sorghum in the world just after the United States and ranks fifth in the production of palm oil and cocoa beans. Nigeria is also a large global exporter of nuts: it is the second leading exporter of cashew nuts worldwide. Oil, fruits, nuts, and seeds are among its ten best performing export categories.

Despite this, the agricultural sector in Nigeria is underdeveloped and not utilizing its full potential as the job creation and food production engine that it could be. 80 per cent of rural people are subsistence smallholder farmers, who produce some 90 per cent of Nigeria's food on un-irrigated plots wholly dependent on rainfall, however only 46% of Nigeria's arable

land is currently being cultivated. Farmers have no title to 95 per cent of agricultural land and lack access to the finance required to invest in improvements. They have limited access to proper post-harvest storage solutions, processing facilities and equipment and inadequate agricultural infrastructure, in addition to low access to information and markets. Poor rural roads undermine farm profitability by increasing waste and impeding access to markets, inputs, equipment and new technology. It is estimated that about 15 million metric tons of perishable goods are wasted annually in Nigeria as a result of poor logistics.

Rural schools, healthcare and clean water supplies are inadequate. Land degradation and erosion arising from over-cultivation, deforestation and overgrazing are increasing, and drought has become common in the north. This inefficiency and low productivity will continue to undermine the sector's potential without significant investment.

Nigeria has the assets required to become an agricultural powerhouse: significant amounts of available land and water, an expanding pool of low-cost labor, and an ever-increasing domestic market demand for its products. In Nigeria there is burgeoning demand for higher-value food products as incomes rise. Rice and poultry (which uses maize as feed) are two of the fastest growing sectors, with Nigeria's demand for poultry growing from 159,000 MT to 342,000 MT from 2000 to 2018 and demand for rice growing from 2.7 Million MTs to 6.7 Million MTs from 1990 to 2019. It is for these reasons Babban Gona has chosen to focus its efforts on maize and rice production. Since its inception ten years ago, Babban Gona has cumulatively supported about 200,000+ farmers and cultivated over 220,000 acres of maize, an area equivalent to 5 Manhattans, providing enough food to feed every man, woman and child in Nigeria for nearly 1 week.



## The Role of Government & Private Institutions

With the falling oil prices, security risks, and policy uncertainty, economic growth subsequently slowed sharply. The Government now wants to reduce oil dependency and diversify growth.

Poverty is especially severe in rural areas, at 44.9%. Young people lack economic opportunities and sporadic civil unrest worsens poverty and malnutrition. Poor rural women and men depend on agriculture: 70 percent of rural people are subsistence smallholder farmers, who produce about 90 percent of Nigeria's food on un-irrigated plots wholly dependent on rainfall.

In the first quarter of 2021, Agriculture generated 22.35% of gross domestic product (GDP) but remains underdeveloped because of numerous impediments. Only 46% of arable land is cultivated. Farmers have no title to 95 percent of agricultural land, so are impeded from obtaining finance or investing in improvements. Poor rural roads undermine farm profitability; increase waste and impede access to markets, inputs, equipment, and new technology. Rural schools, healthcare, and clean water supplies are inadequate. Land degradation and erosion arising from over-cultivation, deforestation, and overgrazing are increasing, and drought has become common in rural areas.

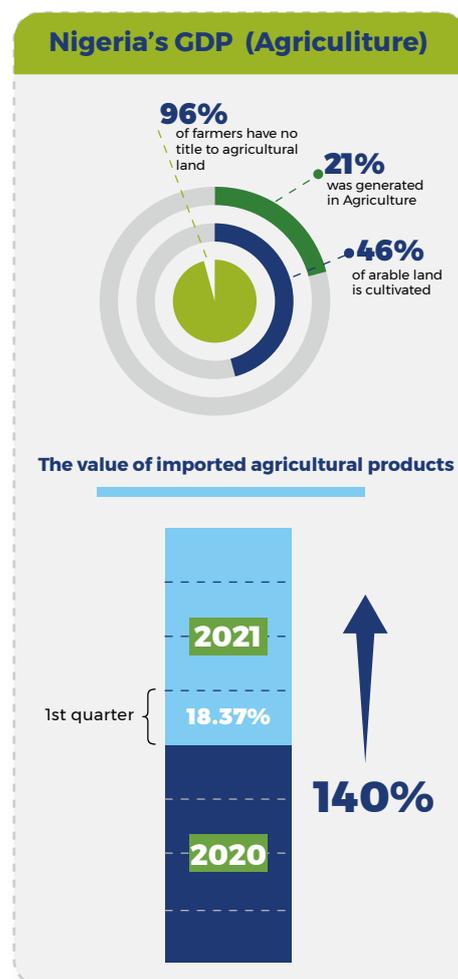
The success of the agricultural sector in Nigeria over the next few decades will require the contributions of all stakeholders - public and private individuals and institutions.

Over \$200 million has been invested in agricultural technology since 2016, there are over 80 agri-tech companies and startups operating in Nigeria. Having more agricultural investors would encourage the growth of smart-digital agriculture and provide a viable source of income for Nigerian youths.

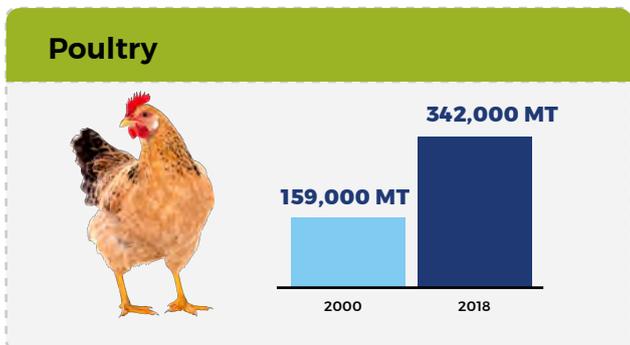
Innovations in pre-harvest and post-harvest agricultural processes especially the value-chain aspects including storage technologies, as well as in the logistics and transportation systems are necessary to increase food security. It is estimated that about 15 million metric tons of perishable goods are wasted annually in Nigeria as a result of poor logistics.

The creation of partnerships between public institutions and the private sector through investment opportunities or collaborations will serve as a

major catalyst for the growth in the agricultural sector.



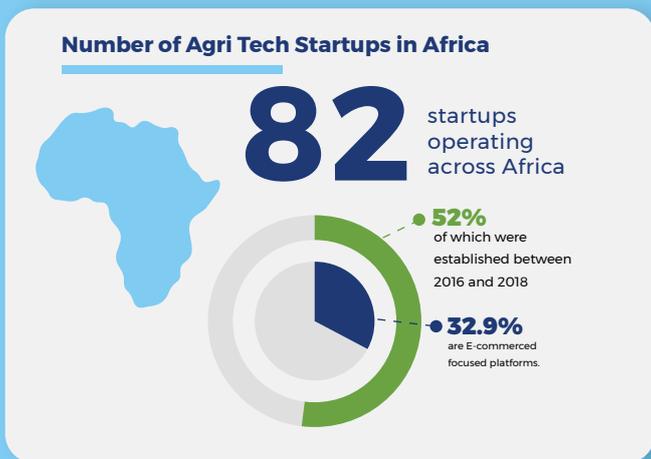
## Nigeria's Food Demand



It is for these key reasons Babban Gona has selected maize and rice as our exclusive target crops. Since its inception ten years ago, Babban Gona has cumulatively supported about

Farmers **200,000+** cultivated over **220,000** acres of maize

## The Role of Government & Private Institutions



≈ **15 million MT** of perishable goods are wasted annually in Nigeria as a result of poor logistics.

### Budgetary allocation in Nigeria from 2019 to 2021

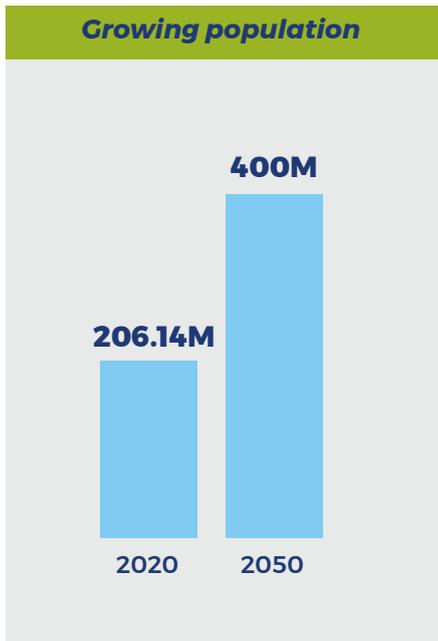
Year	Total Allocation to Agriculture and Rural Development (₦ Billion)	Share Size of Allocation to Agriculture (%)
2019	73	9.22
2020	160.46	14.86
2021	291	1.8

Amount invested in Nigeria since 2016

≈ **\$19 million**

## Conclusion

With the growing population projected to reach 400 million by 2050, improved agriculture productivity through adoption of new technologies and inventions is vital to guarantee food security and sustenance.



Support from all private stakeholders including federal and state government is vital for accomplishing this objective.

Attaining food security requires intentionality, diverse approaches both within the public and private sector. Hence, holistic approaches to food security should be reciprocated by holistic national and international support strategies. The more farm communities, the greater our collective farm security and ultimately food security as a nation.

To tackle the challenge of food insecurity, Nigeria must harness the full, yet untapped, possibilities in its agricultural sector. We can move closer to the goal of attaining Zero Hunger if the government can implement options such as embracing the fusion of agriculture and technology, favourable Government food policy: that would reduce over-dependence on food, investment in funding for agricultural research that combats the effects of climate change, the adoption of climate-safe agriculture In Nigeria and an expansion of market access.



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