

Nigeria: The impact of COVID-19 and food system responses



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In Nigeria, which accounts for approximately half of West Africa's population, the COVID-19 pandemic has had significant effects on the economy and poverty levels, in addition to the devastating impact on health. CGIAR has been working with local partners to respond to the crisis, particularly in the agriculture sector.

ECONOMIC IMPACT OF COVID-19

CGIAR estimates that Nigeria's gross domestic product (GDP) suffered a 34.1 percent loss during the initial five-week lockdown period between March and May 2020, amounting to US\$16.4 billion. The services sector accounted for two-thirds of the impact. Agriculture, which serves as the primary means of livelihood for most Nigerians, suffered a 13.1 percent loss (US\$1.2 billion). Although primary agricultural activities were excluded from direct restrictions in the lockdown zones, the agriculture sector was affected indirectly due to its [linkages](#) with the rest of the economy.

Households lost, on average, an estimated 33 percent of their incomes during the lockdown period. The heaviest losses were incurred by rural non-farm and urban households. There was also a 14 percentage point temporary increase in the poverty headcount rate for Nigeria, implying that 27 million additional people fell below the poverty line during the five-week lockdown.

The agri-food sector's GDP declined by 16.9 percent or US\$2.5 billion. Just under half of these losses were incurred in the agriculture sector (US\$1.2 billion). Although food processing was exempt from restrictions, losses in the agro-processing industry were substantial (26.7 percent) due to restrictions imposed on non-essential manufacturing or services sectors that demand agro-processing products. Food trade and transport services declined by an estimated 16.3 percent.

The estimated poverty impacts of COVID-19 were mainly caused by reductions in income from employment. Minimizing and reversing

Figure 1: Estimated change in GDP of Nigeria during COVID-19 lockdown period

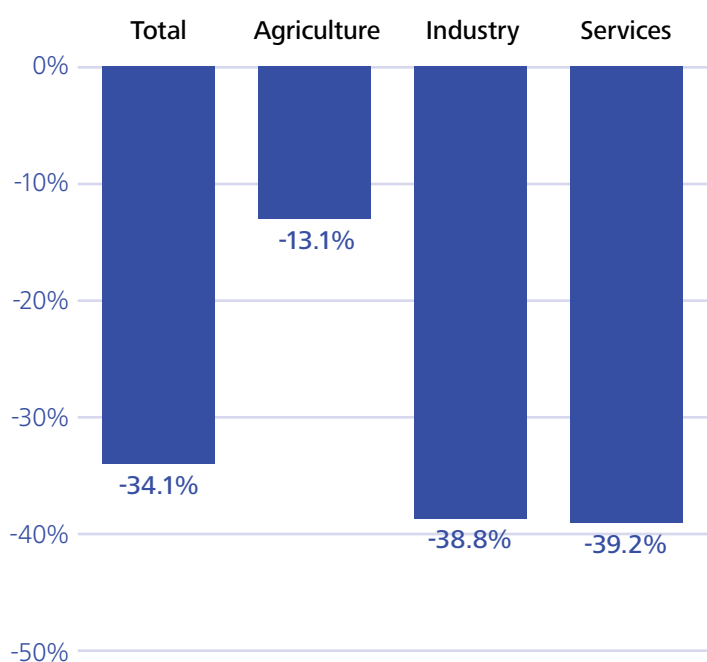
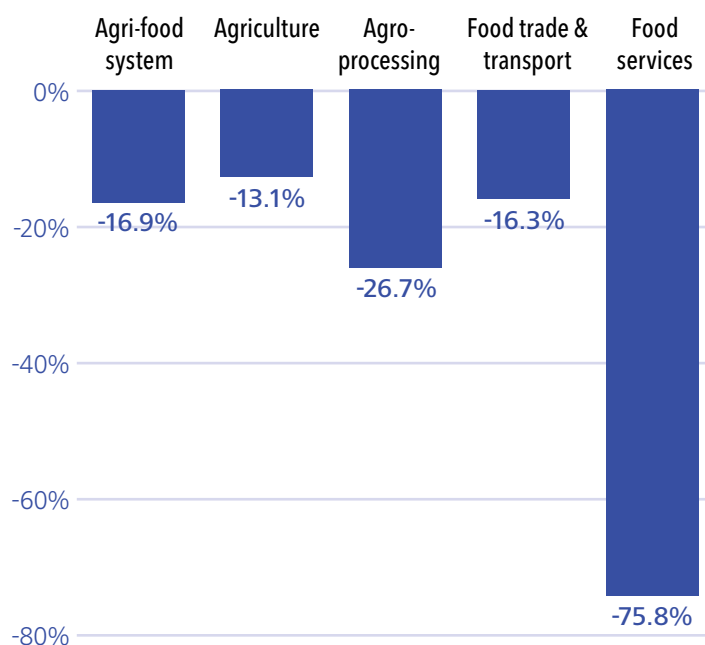


Figure 2: Estimated change in agri-food GDP of Nigeria during COVID-19 lockdown period



these poverty impacts call for policy approaches to protect small and medium-scale enterprises during the recovery period. In the short term, reducing poverty would require targeted support for sustaining household incomes via cash transfers and other social protection measures. In the medium term, the government's strategy for recovering from COVID-19 relies on rapid employment generation in the agriculture sector.

MITIGATION MEASURES TAKEN BY THE GOVERNMENT AND THEIR EFFECTS

In response to COVID-19, Nigeria introduced a severe lockdown, which was then adjusted with more state-specific restrictions. Measures included bans on public gatherings; curfews; the shutting of schools, religious institutions and workplaces; limitations on transport and cross-state travel; and travel bans. The easing of measures varied across Nigeria, with states resuming activities according to their own timelines.

Fiscal measures in response to the pandemic included budget adjustments, such as a 20 percent cut in capital expenditure; the release of an NGN 10 billion (about US\$26 million) grant to Lagos to increase its response capacity; and financial support for private companies. Non-food price control measures were also implemented by the government, especially on crude oil and its products.

Tax relief policies included a 50 percent income tax rebate on pay-as-you-earn tax to protect employees from job losses, and an extension of the filing date for company income tax, personal income tax and the remittance of value-added tax. Many of these policy actions were implemented early on, were temporary, and have since been withdrawn.

The CGIAR [COVID-19 Policy Response \(CPR\) Portal](#) shows that most of Nigeria's restrictions on population movement, travel and business operations made at the peak of the outbreak have since been phased out. To reduce the impact of COVID-19 measures on agriculture, in the

last quarter of 2020, the federal government began distributing agricultural inputs to Nigerian farmers, with the objective of boosting agricultural production and preventing food scarcity in 2021.

CGIAR COVID-19-RELEVANT WORK IN NIGERIA

COVID-19 and access to quality seeds and other agricultural inputs

A CGIAR brief reported an expected rise in [seed demand](#) in sub-Saharan Africa. In response to this, the Nigerian government and CGIAR began [distributing seeds](#) to 100,000 smallholder farmers. In addition, CGIAR made more than 11,000 bundles of quality seeds available to farmers across Nigeria.

COVID-19 and fish and poultry value chains in Nigeria

CGIAR conducted a monthly phone survey of 557 enterprises in fish and poultry supply chains between June and December 2020 to determine the impacts of COVID-19-related policies. Results were reported through an [interactive dashboard](#) hosted on a dedicated [COVID-19 webpage](#).

Crowdsourced data on threats to household food security during the pandemic

CGIAR scientists developed and applied a [crowdsourcing tool](#) for collecting real-time local price data in northern Nigeria. The tool revealed that there have been substantial price hikes in urban and rural areas, and that the pandemic threatens food security for low- and middle-income earners in urban areas in addition to the rural poor.

CGIAR GoSeed improved seeds for farmers during the pandemic

During the peak of the COVID-19 crisis in Nigeria, [GoSeed](#) ensured seed delivery to farmers across Nigeria, and applied preventative measures to protect subsequent food supplies from post-COVID-19 effects. Through its social media activities, GoSeed increased its visibility and informed farmers and seed producers of valuable digital tools such as [Seedtracker](#).

The CGIAR COVID-19 Hub is led by the CGIAR Research Program on Agriculture for Nutrition and Health. To learn more, visit www.a4nh.cgiar.org/covidhub/

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