

Impact of Unregulated Food Price on Socio-Economic Classes in Cross River State, Nigeria

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Abstract:

Soon after the incumbent president of Nigeria announced fuel subsidy removal in his inaugural speech on the 29th of May, 2023, prices of commodities including food items skyrocketed. From fuel scarcity, fuel pump price increased with increase in the cost of transportation. The aim of this study was to assess the impact of unregulated increases in the prices of food items on the socio-economic classes of Cross River State, Nigeria. Internet search for prices of some food items between 2023 and 2025, interview of market women and men on sales of food items at high and low prices and cross-sectional questionnaires administered on household to ascertain the socio-economic classes who could not afford one to three square meals daily, were adopted. Result shows firstly, that there was a dramatic increase in the prices of food items between 2023 and 2025. Garri showed the highest increase of 61.27%, seconded by yam with 59.19%. The least increase was 20.97% for palm oil followed by chicken with 32.72%. Secondly, 190% of market women and men say that they buy food items where the prices are low, and 72% buy where prices are high, thus agreeing with economic law of demand and supply. Thirdly, the poor (< 47%) can eat only one square meal a day, the rich at (27.38%) eat two square meal and even fall back to one square meal, the richest can take three square meals daily. All these, indicates that poor households have very limited access to food and food security, making them prone to malnutrition, kwashiorkor and other illness of children and the elderly, which are consequences of poverty. Thus effective government policy to ensure food security is necessary.

Keywords: Food items, price increase, Consequential impact, Socio-economic classes, Child malnutrition.

INTRODUCTION

Unregulated food prices have existed in Nigeria for several decades. There was a semblance of price control on all consumable items in the 1970s when the military ruled by decree, but was not sustainable. Absence of price regulation has continued unabated to a point that businessmen selling the items in the market sell at different prices. The situation has become worse with the removal of fuel subsidy by government since 2023. This removal in addition to Nigeria's currency devaluation jacked up prices of several commodities including food items. Compromise pricing contributes to the unregulated price increase. In advanced countries, the price per kilo of food is fixed and there is no compromise

pricing. Other factors for the continued rise in food prices such as insecurity and currency depreciation, global and local input costs have been reported by (The CJID, 2022) from 2020 to date, although prices were down by July, 2025.

When prices of food are high, the lowest income brackets cease to have three square meals a day in the absence of price regulation. Therefore, the unregulated increase in food prices has a negative impact on socio-economic classes of any country. The socio-economic classes consist of the poor, the rich and the richest in general terms. It could be classified into the poorer and the poor, the rich and the richer, and the richest (Cuschieri *et al.*, 2017). Low socio-economic status is limitation to one's

purchasing power and access to good standard of living (Eja, 2006, Okon, Eja and Kalu, 2017). Ogunlesi, Dedeke and Kuponiyi (2008) attempt to classify socio-economic status of people into five classes made up of “the poorer, the poor, the rich, the richer and the richest” based on the educational qualification and occupation of the people being classified and based on household income derivable from percentile of education and occupation of persons being socio-economically classified. Market men and women who mostly buy and sell food items spread across the five socio-economic classes.

Therefore, the aim of this study was to assess the impact of ever rising food prices on the socio-economic classes in Cross River State, Nigeria.

LITERATURE REVIEW

INCREASED PRICES OF FOOD ITEMS IN NIGERIA.

Between 2023 and 2025, Nigeria has witnessed a dramatic increase in the prices of food items (NBS, 2023, 2024 and 2025). Several factors are responsible for the price increase. As the President stopped fuel subsidy on his inaugural day on 29th May, 2023, fuel scarcity emerged, followed by increase in fuel pump price and cost of transportation, and increase in the prices of food items, banditry, kidnapping and herdsmen/terror attacks which resulted in internally displaced persons (IDPS) helped to jack up prices of food items (Mohammed, 2025). Compromise pricing in which the vendor and the customer argue the price of goods before payment is a major cause of price increase. It means that there is no price regulation and vendors fix prices at will, and as agreed with customers.

IMPACT OF INCREASED FOOD PRICES ON SOCIO-ECONOMIC CLASSES

Socio-economic classes are the poor, the rich and the richest. Poverty directly affects the sustainable availability of food supply with essential nutrients in adequate amount for most vulnerable populations especially in developing countries where 90% of them reside (Olanrewaja, 2011).

It is reported that malnutrition is endemic in Nigeria because of poverty, and it is estimated that over 70% of Nigerians live below poverty line, on \$1 per day (Olanrewaja, 2011). However, Ogunlesi, *et al.* (2008) has made socio-economic classification of the poorer, the poor, the rich and the richest, based on educational qualifications and occupation using percentile and equivalent amount. It has been reported that low-income households exhibit longer budget-share responses to price shocks for staples and edible oils, reflecting their higher share of food in total expenditure (Dhar *et al.* 2024). While some farm households may gain from higher output prices, most net food-buying household-typically poorer and urban households-suffer welfare losses when staple price rise (Adekunle *et. al.*, 2020) In, Nigeria, poor families tend to reduce meal frequency or portion size shifting to cheaper; less nutritious foods (Ibukun and Adebayo, 2021), and this is the major cause of malnutrition.

THE ROLE OF POLICY RESPONSES AS A PROTECTION OF THE SOCIO-ECONOMIC CLASSES

Osabohien *et al.*, (2024) reports that social protection system and targeted subsidies can blunt the effect of food price inflation, which was the case in Nigeria during the pandemic- era, when only partial relief was provided. Poor households experience persistent price shocks forcing them to adopt repeated coping strategies and increasing the risk of chronic food insecurity among lower socio-economic strata.

It appears that the literature emphasizes the impacts of the increase in the prices of food items between 2023 and 2025, which is a short period. NBS (2023-2025) advocates further research on the impact of price increases in the long term.

METHODOLOGY

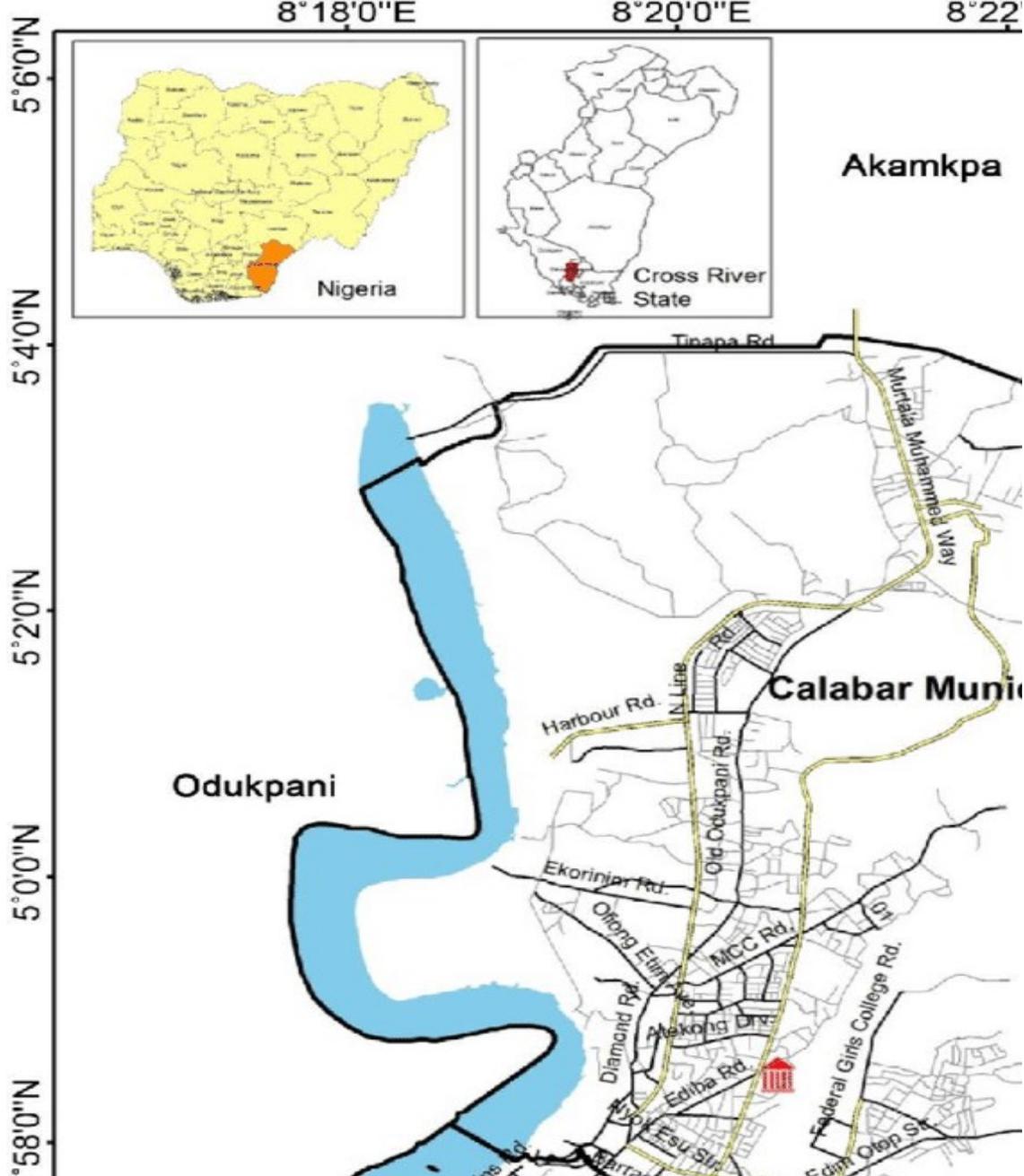
STUDY AREA

The study area is Calabar metropolis which is made up of two local government areas called Calabar Municipality and Calabar South (Figure 1). Calabar metropolis is an ancient West African Coastal city with 4.56°N and 8.22°E of the equator.

The city covers an area of about 333.92km², and in the face of rapid urbanization and industrialization, it now has a population of about 218,444 (Ministry of Finance and Economic Planning 1985, Eja, 1996).

For the purpose of this study, Calabar metropolis is divided into six units, three in Calabar Municipality and three in Calabar South, making a total of six units.

Figure 1: Map of Cross River State showing Calabar South and Calabar Municipality



STUDY DESIGN

In this study, three approaches were adopted.

1. Internet search for changes in price of some food items in Nigeria between 2023 and 2025 was made.
2. Sales of some food items in Calabar market were investigated as to whether food items in August 2025, were sold at high or low prices. This was aimed at knowing the impact which sales at high price or low price had on the economics of ordinary citizens. Two Hundred and Ten (210) market women and men were physically interviewed and answers recorded.
3. A Cross-sectional study was adopted involving administration of questionnaires on households in the six units of Calabar metropolis. With a multi-stage sampling technique, the following stages were followed: Firstly, Calabar South was divided in Unit 1- Henshaw Town; Unit 2- Ekpo Abasi/Mbukpa; and Unit 3- Goldie Street.

Calabar Municipality was divided into Unit 4- Akim Area; Unit 5- Marian and Unit 6- Ikot Ansa – 8 Miles (Old Odukpani Road), making a total of six units.

Seventy (70) households from each of the six units were randomly selected and administered questionnaires base on the determination of the sampling population as shown below. The aim was to find out the numbers who have access to one square meal, two square meals and three square meals daily among the socio-economic classes.

For the purpose of this study, it is assumed that the poorer and poor cannot take more than one square meal daily; the rich can take two square meals and one square meal daily, if willing; the richer can take two or three square meals if possible or one if willing, while the

richest can take three square meals daily or two if willing. So the socio-economic classes were recognized through their responses to the questions in the questionnaire.

Sample Size Determination

The study population was determined using the statistical formula given by Lutz (1982).

$$n = z^2 (pq) / d^2$$

Where

n=minimal sample size

Z=confidence limit = 1.96

P=estimated population = 0.47

Q=1-p (1-0.47) = 0.53

D=precision = 0.05

$$n = \frac{1.96^2 \times 0.47 \times 0.53}{0.05^2}$$

$$N = 382.8$$

Considering an attrition rate of 5% i.e $382.8/95 = 402$ which is not divisible by 6. A study population of 420 respondents was obtained which is the next higher number and divisible by 6 to give 70 that is $420/6=70$, thus 70 becomes the sampling size for each unit.

DATA ANALYSIS

1. Percent increase in the prices of food items between 2023 and 2025 was calculated using the following formula;

$$\frac{B-A}{A+B} \times \frac{100}{1}, \text{ Where } A = \text{prices in 2023 and } B = \text{prices in 2025}$$

2. Percent of total correspondents out of 210 market women and men interviewed, who bought food items at high prices or low prices, was calculated using the following formula;

$$\frac{N_1}{210} \times \frac{100}{1} \text{ and } \frac{N_2}{210} \times \frac{100}{1},$$

Where $N_1 =$ Number of

correspondents who bought food item at high price and N_2 = Number of correspondents who bought food items at low prices.

- The numbers under each socio-economic class represent correspondents out of 420 Sample Population who could eat 1, 2 or 3 square meals daily. Each number divided by 420×100 represents the percent eating each square meal daily.

RESULT

Table 1 shows increase in the prices of some food items in Nigeria between 2023 and 2025. Garri recorded the highest

increase with 61.27% by 2025 followed by Yam which recorded 59.19%. The lowest increases were those of Palm oil and frozen chicken with 20.97% and 32.72% respectively.

Table 2 shows the numbers of market women and men who patronized sales of food items at higher prices and lower prices. 190% patronized lower prices while 27.38% patronized higher prices.

Table 3 represents the numbers of socio-economic classes (the Poorer, the poor, the rich, the richer, and the richest) who could eat one square meal, two square meals and three square meals daily. The poorer and the poor could eat one square meal daily. The rich, the richer and the richest could eat two or three.

Table 1: Prices of food items between 2023 and 2025 in Nigeria

PRICE INCREASES				
Some food items	2023	2024	2025	Percent increase between 2023 and 2025
Yam (1kg)	576.39	1661.80	2249.05	59.19
Rice – local (1kg)	738.74	1831.05	2144.05	48.75
Garri – Basin (1kg)	456.32	1,124.40	1900.12	61.27
Chicken (1kg)	3144.10	5507.61	6202.50	32.72
Tomato (1kg)	554.37	1506.35	2004.33	56.66
Beans (1kg)	692.95	2574.63	2458.53	56.02
Bread (500g)	684.85	1459.85	1905.60	47.12
Egg (12 pieces)	1031.55	2289.19	3100.75	50.07
Palm Oil (1 bottle)	1208.62	1238.56	1850.10	20.97
Onion (1kg)	513.29	502.73	1100.25	36.37
Ram (1 kg)	2799.51	5553.80	6050.40	36.73

Source: NBS selected food price watch – August, 2023, August 2024-April 2025 (latest available national average) values are in Nigerian naira per kilogram or per specified unit.

Table 2: Sales of food items for August, 2025

Some Food Items	Sales at High Price	Sales at Low Price
Yam (kg)	16	70
Rice (kg)	40	65
Garri (kg)	60	82
Chicken (kg)	10	50
Ram	6	42
Tomato	20	90
Total	152 (27.38%)	399(190%)

Total number interviewed = 210

The numbers in the table represent the numbers of respondents interviewed.

Table 3: Access of Food by socioeconomic classed.

Daily Square Meal	Poorer	Poor	Rich	Richer	Richest
1	15	23	20	30	50
2	-	-	28	25	46
3	-	-	50	60	45
Total	15 (3.57%)	23 (5.47%)	98 (23.22%)	115 (27.38%)	141 (33.57%)

Sampling population = 420

The numbers in the table represent the numbers of the respondents interviewed.

DISCUSSION

This study reveals dramatic increases in the prices of most food items in Nigeria between 2023 and 2025, as shown in Table 1. The prices ranged from about ₦500 in 2023 to about ₦2000 and above in 2025 indicating absence of regulations of food price by the appropriate authority in Nigeria. It might also indicate that the “Compromise System of pricing” in Nigeria might be responsible for the prices increases. By comprising, the vendor and the customer argue the price of an item until a compromise is reached between the two before the customer pays.

This makes vendors to sell their goods above they would be prices. There might also be an indication that Government policy e.g, the recent fuel subsidy removal might have caused the sharp increase in the prices of food items. Food shortage arising from the persistent herders/farmers arise might also be an indication of the price increases. Other authors have reported price increases of commodities in Nigeria and their impact on households between 2021 and 2025 (Obi, and Ikenga, 2022; Mohammed, 2025).

This finding was further supported by (Dhar et al, (2024) and Ibukun and Adebayo, (2021) report that poor net food-buying households, especially in urban areas and conflict-affected regions are the most adversely affected, facing reduce diet quality, higher risks of under-nutrition and erosion of livelihoods.

This study further reveals in August 2025 that 72.38% of market women and men bought some food items (table 2) at high prices, while 190%

bought at low prices. This indicates that, under the economic situation in Nigeria, and under unregulated rising food prices, many households, especially poor ones, will buy from where the prices are affordable. There will be more turn-over for those who sell at low prices, agreeing with the economic theory of demand and supply (Fernando 2025). This implies that the demand level for a product or a resource will decline as price rises and rise as the price drops. This economic law combines two fundamental economic principles that describe how changes in the price of a resource, commodity, or product affect its supply and demand (Fernando 2025). Therefore, this finding in this study agrees with that of Fernando (2025) who reports that the law of supply says that higher prices boost the supply of an economic good and lower ones tend to diminish it. With no food price regulation, the micro-economic of the country will adversely affect the poor despite compelling factors such as price of the goods, perceived quality, advertising, income, confidence of consumers and change in taste and fashion (Peffering, 2021). Under unregulated increase in the prices of food items 3.57% and 5.47% of households (poorer and poor) in Calabar metropolis, eat any one square meal daily, while 27.38% and 33.59% (Richer and Richest) eat three square meals daily, or two squares if so desired.

However 22.85% (Rich) eat only two square meals daily, or one square meal if so desired owing to circumstances. This indicates that the poorer and poor are more prone to the

consequences of food shortage, one of it is malnutrition mostly in children. Also poor households suffer from low esteem.

Agreeing with the finding of this study, UNICEF (1998) reports that malnutrition is a condition that is associated with poverty and comes with hunger and lack of food at the right quantity and quantity. Usually children are trapped in the cycle of poverty, and could come as a result of loss of appetite or eating the wrong type of food (UNICEF 1998). Increased prices of food items and inability to afford more than one square meal daily amplify poverty and the accompanying malnutrition in children and the elderly is the consequence of poverty as reported by UNICEF (1998) and Akerele *et al.* (2024), thus supporting the finding of this study.

CONCLUSION

Unregulated increase in food price in Nigeria has had a tremendous negative impact across the socio-economic classes especially since 2023. The poor and net food buying households especially in urban areas and conflict-affected regions are the adversely affected. They face reduced diet quality, food shortage, and higher risks of malnutrition. Some farming households may benefit from increased prices of food, but the net welfare effect across the population may be negative due to the preponderance of net food buyers and structural constraints. It is necessary for government to evolve timely policy targeted at addressing this issue, to restore supply chains, stabilize market and expand social protection coverage.

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