Social protection, poverty and livelihoods, Nigeria

How many times is food taxed between the farm and the market?

Many times, and often by collectors with no right to it. Truck drivers we interviewed paid at 4 to 15 points on a single trip, and only about a third of the levy types our survey respondents named were state or local government taxes.

By **James Lumowo**, Research Director. From our own fieldwork.

Published October 2026. Data as of 18 October 2026 (survey fieldwork 2023–24).

In short

- Food pays at many gates. Kano truck owners and drivers described 4 to 15 payment points a trip, costing about ₦10,000 in all on a short run and about ₦30,000 from Akure or Benin. A Kano–Lagos driver paid at police and military checkpoints, community gates and tolls, too many to count.
- Most levies are not state or local government taxes. Of the levy types respondents said they pay, 35.5% were local or state government taxes. The rest were market levies, security levies, village or community levies, union dues and payments to touts.
- The cost ends up in the price of food. 33.0% of respondents who answered named multiple taxation or illegal levies as a cause of food inflation. A commercial farmer in Borno said taxes and levies are built into the selling price.

The evidence

Each figure carries its source, its date and a label for how much weight it can bear. Open 'How we know this' for the method.

Survey estimate — 2023–24

35.5%

of the levy types respondents said they pay were local or state government taxes. Market levies, security levies, community levies, union dues and payments to touts made up the rest.

Nigeria Food Security Project pilot survey, delivered by Probatio Africa's founder for SCRIH

How we know this

Respondents named every levy they pay, and each type counts once per respondent, so the shares add up to 100% across levy types. They show who collects, not how much is paid. Some market levies are collected for local governments, so the government share may be higher. A purposive pilot sample of 194 farmers, suppliers and retailers in six states and the FCT: it describes these respondents, not all of Nigeria's food producers and traders.

Survey estimate — 2023–24

33.0%

of respondents who answered named multiple taxation or illegal levies as a cause of current food inflation.

Nigeria Food Security Project pilot survey, delivered by Probatio Africa's founder for SCRIH

How we know this

Seven causes were offered, and respondents could name several. Insecurity was named most often (71.4%). A purposive pilot sample of 194 farmers, suppliers and retailers in six states and the FCT: it describes these respondents, not all of Nigeria's food producers and traders.

Survey estimate — 2023–24

About 47%

of respondents said unions collect sales taxes from food producers or suppliers.

Nigeria Food Security Project pilot survey, delivered by Probatio Africa's founder for SCRIH

How we know this

Respondents could name several roles for unions and associations; about 46% said unions register sellers. A purposive pilot sample of 194 farmers, suppliers and retailers in six states and the FCT: it describes these respondents, not all of Nigeria's food producers and traders.

✓ Record or count — Since 1998

1998

is the year federal law barred anyone, tax authorities included, from mounting a roadblock to collect a tax or levy.

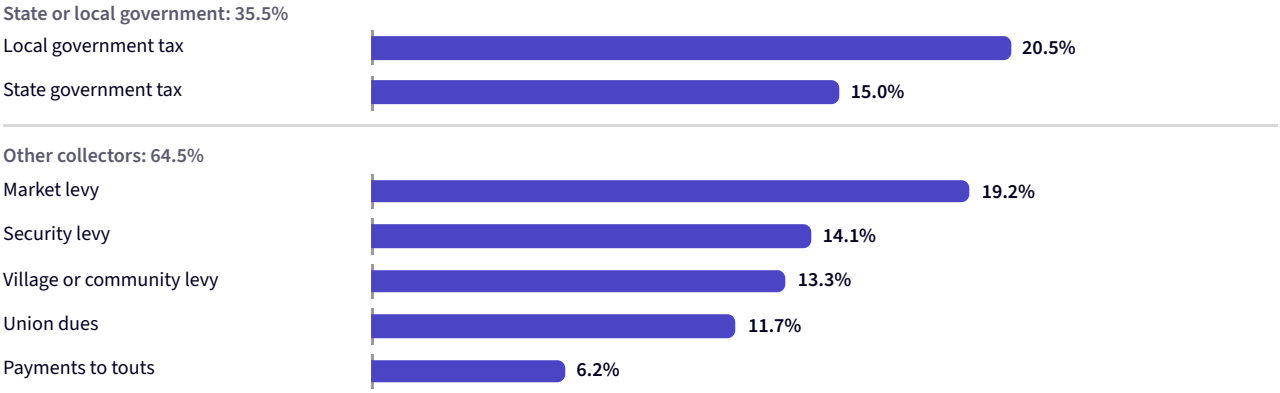
Taxes and Levies (Approved List for Collection) Act, sections 2 and 3

How we know this

The Act also says which tier of government may collect which tax. Breaking it carries a fine of ₦50,000, three years in prison, or both.

Only about a third of the levies named were state or local government taxes

Share of all levy types respondents said they pay, by who collects them; each type counted once per respondent



Pilot survey of farmers, suppliers and retailers in six states and the FCT, 2023–24. The chart counts who collects, not how much each collector takes: the survey did not ask the size of each payment.

Sources: 1.

What the data show

In two focus-group sessions in Kano, the same group of truck owners and drivers described between 4 and 15 payment points on a trip, depending on distance: about ₦10,000 in all on a short run, and about ₦30,000 from Akure or Benin, a route that crosses several states[1]. One driver said levy tickets that cost ₦100–200 now cost up to ₦500[1]. A driver on the Kano–Lagos route paid at police and military checkpoints, community gates and tolls, too many to count: about ₦30,000 a trip, or ₦60,000–70,000 for goods that pass through customs[1].

Of the levy types survey respondents said they pay, 20.5% were local government taxes and 15.0% state taxes: 35.5% in all. Market levies (19.2%), security levies (14.1%), village or community levies (13.3%), union dues (11.7%) and payments to touts (6.2%) made up the other 64.5%[1]. About 47% of respondents said unions collect sales taxes from producers or suppliers[1].

Levies end up in prices. 33.0% of respondents who answered named multiple taxation or illegal levies as a cause of current food inflation[1]. A commercial farmer in Borno said taxes and levies are built into the selling price, and the chairman of a Kano tomato wholesalers' association said prices are set to cover every expense from the farm to the market levy. His association collects ₦200–300 a basket, for drainage, waste clearance and members in need[1].

Fewer charges are possible. A Borno State agriculture official said the state had cut the taxes farmers pay from five or six to one, at a standard rate per bag or tonne of produce[1].

What this means for decisions

- The gap is enforcement, not law. Mounting a roadblock to collect a tax or levy has been an offence since 1998, with a fine of ₦50,000, three years in prison, or both[2]. In December 2025 the Joint Revenue Board again banned road levies and stickers at checkpoints and asked security agencies to act on illegal roadblocks[3].
- Harmonisation has to reach markets and unions. The 2025 tax laws, in force since 1 January 2026, give the Joint Revenue Board the task of harmonising revenue administration[4]. A Lagos bill heard in May 2026 would make the state revenue service the only collector of market levies and transport tickets, and fine anyone, unions included, ₦5 million for a revenue roadblock[5]. Kwara's Assembly passed a harmonised taxes and levies bill in December 2025[6].
- One tax per bag is possible. Borno's single standard rate per bag or tonne shows a state can replace many charges with one[1]. Whether it holds on the road has not been measured.
- Measure whether the reforms reach the road. A levy log along the main food routes, such as Kano to Lagos, repeated before and after the new laws take hold, would show what drivers actually pay and to whom.

Method

- A pilot survey of 194 farmers, suppliers and retailers in Benue, Borno, Edo, Kano, Lagos and Oyo and the FCT, delivered by Probatio Africa's founder in 2023–24 for the Supply Chain Research and Innovation Hub (SCRIH) and analysed in SPSS [1]. Shares are of the respondents who answered each question. Where a question allowed several answers, shares do not add up to 100%.
- Levy shares are shares of all the levy types respondents named, each type counted once per respondent. They show who collects, not how much is paid.
- Two focus-group sessions with the same group of truck owners and drivers in Kano, an interview with a Kano–Lagos driver, and interviews with market association leaders in Kano, commercial farmers in Borno and Borno State agriculture officials, coded by theme in ATLAS.ti [1].
- The legal position is read from the Act itself [2] and from reports of the Joint Revenue Board, the 2025 tax laws and the Lagos and Kwara State Houses of Assembly [3,4,5,6].

Limitations

- Respondents were chosen because they were available and fitted the study, not at random. The figures describe the people we reached, not all Nigerian farmers and traders.
- Respondents named collectors as they saw them. Some market levies are collected for local governments, so the government share may be higher than 35.5%.
- Payment points and amounts are what drivers recalled, not receipts. All the drivers interviewed were based in Kano.
- The study files do not say which respondents answered the question on the causes of inflation.
- Fieldwork was in 2023–24, before the 2025 tax laws took effect.

Sources

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