

REVIEW OF THE OYO STATE 2025 AGRICULTURAL SECTOR BUDGET



**Small Scale Women Farmers Organization in Nigeria
(SWOFON)**

And



Centre for Social Justice (CSJ)
(Mainstreaming Social Justice in Public Life)

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ACRONYMS

| | |
|--------|--|
| CSA | Climate Smart Agriculture |
| CSJ | Centre for Social Justice |
| IFAD | International Fund for Agricultural Development |
| LGA | Local Government Agriculture |
| MDA | Ministry, Department and Agency |
| NADP | Nasarawa Agricultural Development Programme |
| NAMDA | Niger Agricultural Mechanisation Development Authority |
| NGN | Nigerian Naira |
| SHWF | Smallholder Women Farmers |
| SWOFON | Smallholder Women Farmers Organization in Nigeria |
| USD | United States Dollar |
| VCDP | Value Chain Development Programme |

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1. Introduction

The Ministry of Agriculture and Natural Resources serves as umbrella for the state agriculture sector. The sector comprises the Ministry of Agriculture and Natural Resources alongside other institutions like Tree Crop Development unit, Oyo State Agribusiness Development Agency, and Agric Credit Corporation. The individual component's allocation put together make up the sector's allocation. This forms the basis for the review of the 2025 Agricultural sector budget.

Table 1: Allocation to Agriculture in comparison to the Malabo Benchmark

| Overall State Budget Proposal | Total Agric Sector Proposal | Percentage of Agric Allocation of State Budget | 10% Benchmark of the Malabo Declaration | Balance of Benchmark |
|-------------------------------|-----------------------------|--|---|----------------------|
| 684,149,398,399.06 | 14,564,949,531.44 | 2.13% | 68,414,939,839.91 | 53,849,990,308.46 |

Source: Approved 2025 State Budget

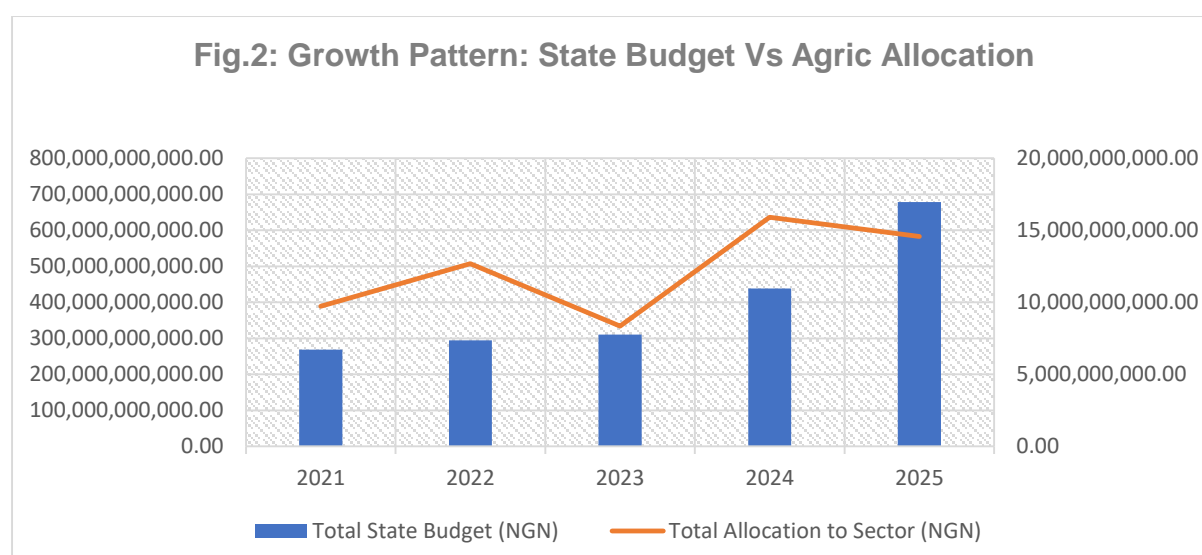
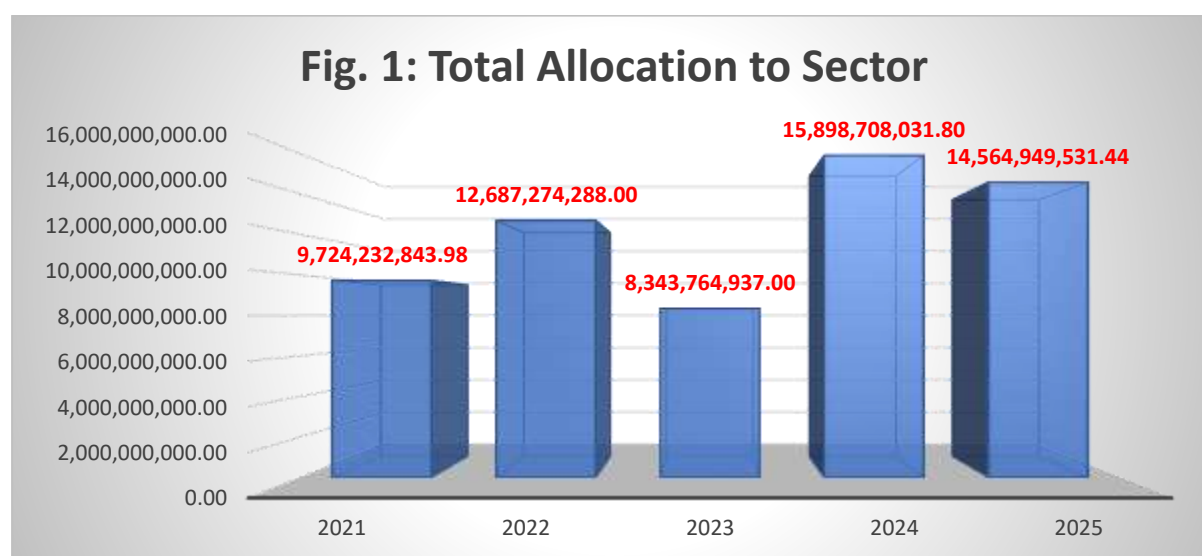
The Agricultural sector was allocated the sum of N14.564billion from the state's total budget size of N684.149 billion in the 2025 proposal. This figure represents 2.13% of the total state budget size. The allocation shows a decrease in the allocation from the previous year both in terms of its proportion of the overall state budget as well as in the actual amount allocated. The 2025 allocation is N1.33bn lower than the amount allocated in 2024. It commands a smaller share of the state budget having received 3.63% and 2.13% in 2024 and 2025 respectively. Table 2 further reveals that the sector's allocation for the year 2025 is the least share from the overall state for the 5-years period under review. Table 2 further shows that the allocation to the sector fell short of the Maputo 10% benchmark in budgetary allocation for all the years under considerations. Also, the 2025 allocation to the sector commands the least share of the state budget of the 5-year period. At a time when cost of food is reaching all-time high and driving the national inflation figures, one would have expected increased investment in agriculture given the comparative advantage in large arable land, existence of dams to support irrigation, labour, and ready market and proximity to other available markets for its agricultural produce. Interestingly, there is a huge difference in the 2025 allocation between the proposal and the approved budget. In the proposal, the sector was allocated the sum of N31,462,506,271.09

Table 2: Trend of Agriculture Allocation in Oyo State Budget 2021 – 2025

| Year | Total State Budget (NGN) | Total Allocation to Agriculture (NGN) | Percentage of Agric Allocation (%) | Malabo (10%) Declaration Benchmark (NGN) | Variation Against 10% Benchmark (NGN) |
|----------------------|--------------------------|---------------------------------------|------------------------------------|--|---------------------------------------|
| 2021 | 268,770,964,860.01 | 9,724,232,843.98 | 3.62% | 26,877,096,486.00 | 17,152,863,642.02 |
| 2022 | 294,704,585,356.94 | 12,687,274,288.00 | 4.31% | 29,470,458,535.69 | 16,783,184,247.69 |
| 2023 | 310,432,500,000.00 | 8,343,764,937.00 | 2.69% | 31,043,250,000.00 | 22,699,485,063.00 |
| 2024 | 438,447,878,548.39 | 15,898,708,031.80 | 3.63% | 43,844,787,854.84 | 27,946,079,823.04 |
| 2025 Proposal | 684,149,398,399.06 | 14,564,949,531.44 | 2.13% | 68,414,939,839.91 | 53,849,990,308.46 |

Source: 2025 State Budget Proposal

Figure 1 presents the 5-year allocation to the Agriculture sector as chart. It shows the allocation for each of the years and how they compare against other years. Figure 2 on the other hand is the pictorial presentation of the growth pattern of the state budget and the allocation to agriculture. It can be observed that during the 5-year review period, the state budget consistently increased from year to year. In contrast, the pattern for the agriculture allocation shows a fluctuation, in other words there is no consistency. In 2021 the sector received 3.62% of the total state budget. It got 4.31% in 2022, 2.69% in 2023, 3.63% in 2024, and 2.13%% in 2025. The sector's share of the state budget in the 2025 proposal is its lowest in the last 5 years.



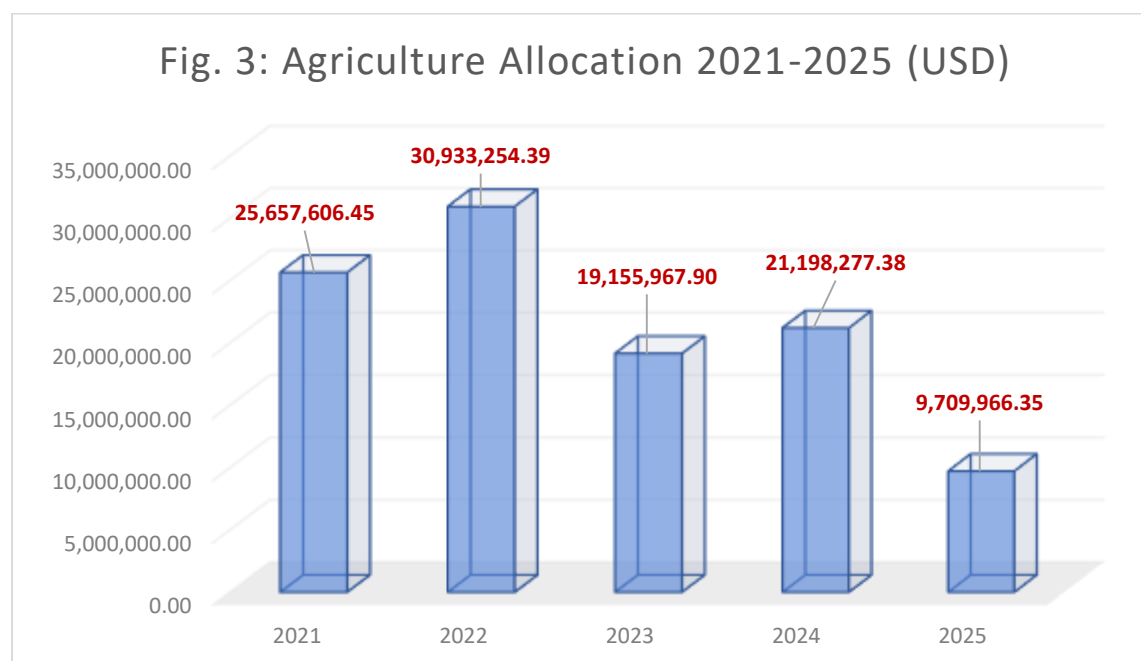
2. Measure of value of the Allocation

Given the volatility of the Nigerian Naira over the years; especially with the devaluation of the Naira and the unification of the exchange rate, it becomes necessary to weigh the value the yearly allocation with a more stable currency to determine if the trend remains same. Table 3 below shows the allocation in USD. The conversion rate adopted is the official rates for each year's budget by the federal government. Ranking the allocations using the resources committed, the 2024 allocation comes first, 2025 comes second, 2022 comes third, 2021 if fourth while 2023 is fifth in Naira terms. However, their respective USD values show that the 2022 allocation has more value, followed by 2021, 2024, 2023 and then 2025 in that order. This implies that though the 2025 allocation is second highest, in real value terms it is the least valuable given the exchange rate. This is presented graphically in figure 3 below.

Table 3: Conversion Agriculture Allocation to USD

| Year | Exchange Rate* (USD to NGN) | Budgetary Allocation (NGN) | Budgetary Allocation (USD) |
|------|--------------------------------|-------------------------------|-------------------------------|
| 2021 | 379 | 9,724,232,843.98 | 25,657,606.45 |
| 2022 | 410.15 | 12,687,274,288.00 | 30,933,254.39 |
| 2023 | 435.57 | 8,343,764,937.00 | 19,155,967.90 |
| 2024 | 750 | 15,898,708,031.80 | 21,198,277.38 |
| 2025 | 1,500 | 14,564,949,531.44 | 9,709,966.35 |

- Exchange rate are the official rates by the federal government for each of the years



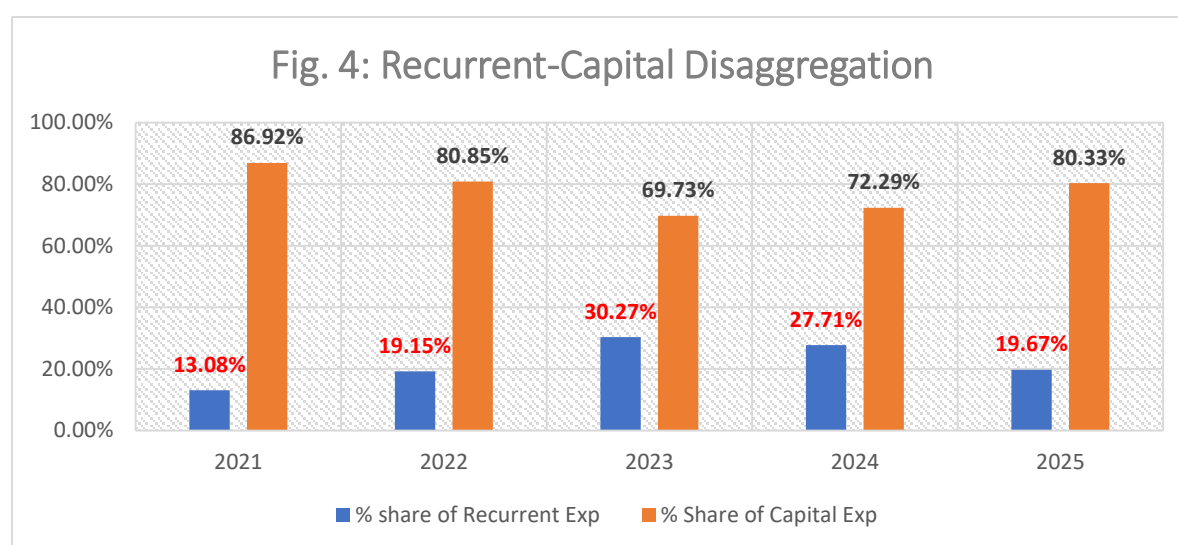
3. Disaggregation of Agriculture Budget

The disaggregation of the sector's allocations provide insight on how the votes are distributed among the components. This section presents the recurrent and capital expenditures' share in the budgetary allocation. While the main focus is on the 2025 budget, a 5-year trend (including 2025) is used to examine the pattern and draw up inferences. Table 4 provides a summary of the disaggregation, while figure 4 is its graphical presentation which further establishes the pattern at a glance.

Table: 4 Disaggregation of Agriculture votes 2021-2025

| | Recurrent Expenditure | % share of Recurrent Exp | Capital Expenditure | % Share of Capital Exp | Total Allocation to Sector |
|------|-----------------------|--------------------------|---------------------|------------------------|----------------------------|
| 2021 | 1,272,002,843.98 | 13.08% | 8,452,230,000.00 | 86.92% | 9,724,232,843.98 |
| 2022 | 2,429,074,288.00 | 19.15% | 10,258,200,000.00 | 80.85% | 12,687,274,288.00 |
| 2023 | 2,525,504,937.00 | 30.27% | 5,818,260,000.00 | 69.73% | 8,343,764,937.00 |
| 2024 | 4,406,208,031.80 | 27.71% | 11,492,500,000.0 | 72.29% | 15,898,708,031.80 |
| 2025 | 2,864,834,531.34 | 19.67% | 11,700,115,000.10 | 80.33% | 14,564,949,531.44 |

Source: Approved 2021-2024 Budget and 2025 Budget Proposal



In the 2025 budget, recurrent expenditure is 19.67%, while capital expenditure is 80.33% with allocations of N2.864 billion and N11.7 billion respectively. On the individual component basis, one can observe that between 2021 and 2023 the share of recurrent expenditure increased yearly, and after that it also decreased yearly. In contrast, capital expenditure decreased yearly between 2021 and 2023, and thereafter increased yearly between 2023 and 2025. The recurrent-capital distribution for 2021 is 13.08% to 86.92%; in 2022 it was 19.15% to 80.85%; in 2023 it was 30.27% to 69.73%; and in 2024 it was 27.71% to 72.29% for recurrent and capital expenditures respectively.

4. Disaggregation of the Capital Budget

The capital budget is the allocation that is of utmost interest to small holder women farmers considering that personnel and overheads votes are to a great extent focused on the administration. Interestingly, the Oyo State Agribusiness Development Agency controls as much as 78.63% of the entire sector's capital expenditure allocation. Ministry of Agriculture has 14.01%, Tree Crop Development Unit, 1.88%, and the Agric Credit Corporation, 5.47%. Table 5 shows some of the major capital provisions in the Ministry of Agriculture and Natural Resources. The word "major" is used in terms of the importance of the provisions and secondly, the amount allocated to the project.

Table 5: Some Major Capital Provisions in the Ministry of Agriculture and Natural Resources

| Project | Administrative Code | Amount (N) |
|---|--|-------------------|
| Agro Women Budget line and Empowerment of Women, Youth and PWDs in partnership with DAWN Commission/LAPDO/USAID | 021500100100 - Ministry of Agriculture & Natural Resources | 20,350,000.00 |
| Budgetary Provision For Premium Subsidy to Nigeria Agricultural Insurance Corporation NAIC. | 021500100100 - Ministry of Agriculture & Natural Resources | 60,000,000.00 |
| Strategic Nutrition Sensitive Programmes. NUT.FNS.1 | 021500100100 - Ministry of Agriculture & Natural Resources | 50,000,000.00 |
| Sourcing of 5,000 Hectares of armland for investors and farm settlement purpose. | 021500100100 - Ministry of Agriculture & Natural Resources | 10,000,000.00 |
| Promotion and Development of agripreneurs activities. | 021500100100 - Ministry of Agriculture & Natural Resources | 10,000,000.00 |
| PURCHASE OF AGRICULTURAL EQUIPMENT | 021500100100 - Ministry of Agriculture & Natural Resources | 10,000,000.00 |
| Repair of produce Warehouses at Offa meta and Kishi | 021500100100 - Ministry of Agriculture & Natural Resources | 50,000,000.00 |
| Purchase of 60 (2024) Bajaj motorcycles at N1.4M each | 021500100100 - Ministry of Agriculture & Natural Resources | 84,000,000.00 |
| Purchase of 1 Toyota Hilux Project vehicle (2024) @ N93M. | 021500100100 - Ministry of Agriculture & Natural Resources | 94,000,000.00 |
| Irrigation project for all-year-round farming practices through PPP arrangement | 021500100100 - Ministry of Agriculture & Natural Resources | 30,000,000.00 |

| | | |
|---|--|----------------|
| Purchase of Agricultural Inputs: A. Fertilizers- 180MT Granules @ N500,000/MT; 3,300Ltrs Liquid @N14,000/Ltr. B. Agro-Chemicals3,300Ltrs @ N5,500/Ltr; C: Seeds Various @ N10,000,000 | 021500100100 - Ministry of Agriculture & Natural Resources | 24,950,000.00 |
| Purchase of Extension kits/equipments, training materials and communication materials. projetors, flipping charts, marfers, meger phone etc. | 021500100100 - Ministry of Agriculture & Natural Resources | 10,000,000.00 |
| Provision of Acquisition of Non Tangible Assets for Farmers in the State | 021500100100 - Ministry of Agriculture & Natural Resources | 5,750,000.00 |
| Rehabilitation of dilapidated RCDC Hostel, Awe, Rehabilitation of farm Settlements infrastructure. | 021500100100 - Ministry of Agriculture & Natural Resources | 165,000,000.00 |
| Rehabilitation of building for Model farm services Centers at 9 locations across the State at 30M each | 021500100100 - Ministry of Agriculture & Natural Resources | 324,000,000.00 |
| Rehabilitation of dilapidated RCDC Hostel, Awe, Rehabilitation of farm Settlements infrastructure. | 021500100100 - Ministry of Agriculture & Natural Resources | 165,000,000.00 |
| Agricultural Data Information System ADIS , Geo referencing and Rural infrastructure mapping and MIS. | 021500100100 - Ministry of Agriculture & Natural Resources | 89,000,000.00 |

Source: 2025 State Budget

Ministry of Agriculture and Natural Resources has a budget item titled '*Agro Women Budget line and Empowerment of Women, Youth and PWDs in partnership with DAWN Commission/LAPDO/USAID*' allocated the sum of N20.350 million. Coincidentally, that is the only item that is gender-specific and it is donor funded. Other potentially beneficial items to women farmers are purchase of agricultural equipment (N10 million) and Agricultural inputs (N24.950 million) Bulk of the items allocated huge sums were infrastructural projects (building construction/ Renovation/rehabilitation) and purchase of Hilux (N94 million). Other items that may indirectly impact women farmers' activities are those that support for extension services; these include '*Purchase of 60 (2024) Bajaj motorcycles at N1.4M each*' (N84 million) and '*Purchase of Extension kits/equipments, training materials and communication materials. projetors, flipping charts, marfers, meger phone etc*' (N10 million).

Table 6: Some Major Capital Provisions in Tree Crops Development Unit

| Project | Administrative Code | Amount (N) |
|---|--|----------------|
| Procurement of 1 (No) of Utility jack T8/TB cab 4x4-20cc 2024 for the Circular Road Tree Planting Project | 021500100200 - Tree Crops Development Unit | 50,000,000.00 |
| Procurement of Certified Tree Crops Seedlings of 25,000cocoa(approx.23Ha), 5,000oilpalm(appr33Ha), 5,500Cashew(appr42Ha) for the state Tree Crops Farmers | 021500100200 - Tree Crops Development Unit | 10,000,000.00 |
| CIRCULAR ROAD PROJECT; A special project involving planting of Trees on both side of the set back of the circular road. However there is need to accommodate the present Economic realities | 021500100200 - Tree Crops Development Unit | 150,000,000.00 |

Source: 2025 State Budget

As the name suggests, the projects under this unit are focused on tree planting. In like manner, the projects with the highest costs are tree planting. The 3 projects captured in table 6 above is about 99% of the unit's entire capital budget. There is no gender specification in the unit's projects, though the unit has the least capital allocation in the sector. Its share of the capital expenditure allocation is N20.11 million representing just 1.88% of the sector's capital budget

Table 7: Some Major Capital Provisions in Oyo State Agribusiness Development Agency

| Project | Administrative Code | Amount (N) |
|--|--|------------------|
| PURCHASE OF MOTOR VEHICLE (2023 DONGFENG CAPTAIN BUS @ N25,000,000 EACH 2 IN NOS | 021510200100 - Oyo State Agribusiness Development Agency | 50,000,000.00 |
| PURCHASE OF AGRICULTURAL EQUIPMENT (TRACTOR 1 IN NO) | 021510200100 - Oyo State Agribusiness Development Agency | 40,000,000.00 |
| REHABILITATION OF 120 OFFICE ROOMS AT THE HEADQUARTERS | 021510200100 - Oyo State Agribusiness Development Agency | 200,000,000.00 |
| CONSTRUCTION OF SPECIAL AGRO PROCESSING ZONE (SAPZ) | 021510200100 - Oyo State Agribusiness Development Agency | 3,100,000,000.00 |
| PROVISION FOR COVID 19 ACTOIN RECOVERY AND ECONOMIC STIMULUS (N-CARES) | 021510200100 - Oyo State Agribusiness Development Agency | 800,000,000.00 |

| | | |
|--|--|------------------|
| PROVISION FOR LIVESTOCK PRODUCTIVITY AND RESILIENCE SUPPORT) LPRES | 021510200100 - Oyo State Agribusiness Development Agency | 1,245,000,000.00 |
| BUDGETARY PROVISION FOR YOUNG FARMERS TARGETED START THEM EARLY PROGRAM (STEP) | 021510200100 - Oyo State Agribusiness Development Agency | 600,000,000.00 |
| CONSTRUCTION OF FARM ESTATE DEVELOPMENT PROJECT AT ERUWA, FASHOLA AND AKUFO) | 021510200100 - Oyo State Agribusiness Development Agency | 2,093,000,000.00 |
| PURCHASE OF CUTLASS, HOES, SPRAYING MACHINES | 021510200100 - Oyo State Agribusiness Development Agency | 1,000,000.00 |
| BUDGETARY PROVISION FOR YOUTH EMPOWERMENT AND AGRICULTURAL PROGRAMME (YEAP) | 021510200100 - Oyo State Agribusiness Development Agency | 1,000,000,000.00 |

Source: 2025 State Budget

About 78.6% of the sector's capital budget allocation is housed in the Agribusiness Development Agency. The items allocated the highest amounts market and business focused. These are Construction of farm estate (N2.093bn), Construction of Special Agro Processing Zone (SAPZ) (N3.10bn). It also has 'Provision for Livestock Productivity And Resilience Support) LPRES' (N1.245bn) and 'Budgetary Provision for Youth Empowerment And Agricultural Programme (YEAP)' (N1.0bn). None of its projects are specifically targeted at women farmers, nor smallholder farmers. While it budgeted N40.0 million for purchase of agricultural equipment (precisely 1 no. tractor), it reserved N1.0 million for purchase of cutlasses, hoes and spraying machines.

Table 8: Some Major Capital Provisions in Oyo State Agric Credit Corporation

| Project | Administrative Code | Amount (N) |
|---|---|----------------|
| Procurement of 10 nos of BAJAJ Motorcycle from DAG Industries Ltd @ 2,500,000each | 021511200100 - Agric Credit Corporation | 26,060,000.00 |
| Procurement of two(2) JAC Pick-Up 4 x 4 Van at Elizade Motors | 021511200100 - Agric Credit Corporation | 112,000,000.00 |
| Purchase of Tokunbo Van | 021511200100 - Agric Credit Corporation | 7,810,000.00 |
| Procurement of two (2) nos of Hiace 2 Toyota 2024 model@ 23,050,250.00 | 021511200100 - Agric Credit Corporation | 53,524,067.50 |
| Procurement of fittings =N150,000.00 | 021511200100 - Agric Credit Corporation | 1,072,419.90 |
| Procurement Of 4 no's of HP-window 10 @700,000.00 | 021511200100 - Agric Credit Corporation | 2,800,000.00 |

| | | |
|--|---|----------------|
| | | |
| GSM FOODBASET (PRESERVATION OF FOODS PRODUCTION INTO DIFFERENT SIZES) | 021511200100 - Agric Credit Corporation | 100,000,000.00 |
| AGRIC.BUSINESS FACILITIES (PROCESSINGUCEMS PROD AND PRESERVATIVE OF FARM PRODUCTS) | 021511200100 - Agric Credit Corporation | 311,669,324.96 |

Source: 2025 State Budget

Whereas the vision of the Oyo State Agric Credit Corporation is

‘to stabilize the economy of Oyo State by stimulating interest in agribusinesses thereby increasing food and agricultural raw material production for consumption and industrial use’;

bulk of the agency’s sizeable capital project funds are budgeted towards procurement of assorted vehicles, including Motorcycles (N26 million), Pick-up vans (N112 million), Tokunbo van (N7.8 million), and Toyota Hiace (2 nos.) N53.5 million). These items do not directly align with this vision. However, items like ***Agric.Business Facilities (Processingucems Prod and Preservative Of Farm Products)*** (N311.699 million); and ***GSM Food basket (Preservation Of Foods Production Into Different Sizes)*** (N100.0 million) as captured lacks clarity as regards what they are designed to offer to farmers. Perhaps Except these are tracked to the agency and their implementation monitored, key stakeholders may miss out.

5. Summary of Findings

- There is a huge reduction in the sector’s allocation between the 2025 proposal and the approved budget by more than half the amount reflected in the proposal. At the proposal stage, the sector was allocated the sum of N31,462,506,271.09, whereas the approved allocation for the year is N14,564,949,531.44
- The sector’s share of the overall state budget in 2025 is 2.13%, the least share in the last 5 years. It is also the least valuable when measured in USD terms for the 5-year period compared.
- Agriculture is not prioritized in the state. This is despite the potentials and comparative advantaged position of the state given the large available arable land, dams for irrigation, labour, and market.
- The sector’s budgeting system is gender blind. It does not take into account gender considerations in the allocation of resources.
- The sums budgeted for purchase/ provision of agricultural inputs and equipment is insignificant and grossly inadequate to meet the requirements of farmers, and particularly Smallholder Women Farmers in the State.

- There are considerations for Smallholder women farmers in the state budgeting system. Their specific needs are inadequately captured in the budget.

6. Next Steps

- Pullout projects that are potentially beneficial to smallholder women farmers to enable them engage towards benefiting from their implementation
- The state should be engaged to prioritize consultation as a first step to having a credible state budget.
- Leverage the recently acquired LG autonomy to make inroads into engaging and influencing the LG budget process