Land Tenure and Title Risk in Agriculture

What Goes Wrong, What the Numbers Show, and What Actually Protects the Buyer

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Table of Content

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EXECUTIVE SUMMARY

Land is the foundation of every farm we build, manage, or sell, and it is also the single largest source of unrecoverable loss for agricultural investors in Nigeria. This paper examines why land title disputes happen, how large the problem actually is in measurable terms, and what specific verification steps protect an investor before money changes hands.

Three findings stand out. First, Nigeria's land administration system, built on the Land Use Act of 1978, grants occupiers a right of occupancy rather than freehold ownership, and every transfer of that right legally requires the consent of a state governor. Second, land related matters account for roughly three in ten of the estimated 27.5 million legal problems Nigerians face each year, and a typical case that reaches the High Court takes close to 938 days to conclude.

Third, registering property in Nigeria is measurably slower and more expensive than in comparable economies, which pushes many buyers toward informal shortcuts that increase, rather than reduce, their exposure to dispute.

Why Land Title Matters

Farmland is a long horizon asset. A cassava or plantain cycle runs months, but the land itself is meant to produce for years, and many agricultural investors plan to hold it for a decade or more, sometimes passing it to children who may never set foot on it before they inherit it. That time horizon is exactly what makes title security different in farming compared with, say, buying a car or a piece of equipment. A defect in title that goes unnoticed at the point of purchase can resurface five, ten, or twenty years later, when a rival claimant, a government revocation notice, or a family inheritance dispute reaches a court.

For diaspora investors in particular, the risk is compounded by distance. A buyer who cannot personally visit the land, walk its boundaries, or sit before the relevant community before payment is made carries a level of exposure that a resident buyer would normally reduce through direct presence and local relationships. Understanding the legal architecture behind Nigerian land, and the specific points where that architecture breaks down in practice, is the first real form of protection available to any investor.

The Legal Framework

Nigeria's land tenure system rests on the Land Use Act, enacted on 29 March 1978. The Act vests all land within a state, other than land already held by the Federal Government or its agencies, in the Governor of that state, who holds it in trust for the benefit of all Nigerians. This means that no individual, family, or company owns land outright in the way ownership is usually understood. What an individual holds is a right of occupancy, statutory in urban areas and customary elsewhere, granted either expressly by the Governor or deemed to exist for land already held before the Act commenced.

The Certificate of Occupancy

The Certificate of Occupancy, commonly called a C of O, is the principal evidence of a statutory right of occupancy. It is typically granted for a term of 99 years and is issued by the state Ministry of Lands or its equivalent after an application, a site inspection, a survey, and payment of the prescribed fees. A C of O is frequently misunderstood as full ownership. It is not. It is a long lease from the state, renewable, transferable with consent, and revocable under defined conditions.

Governor's Consent and Why It Is Often Skipped

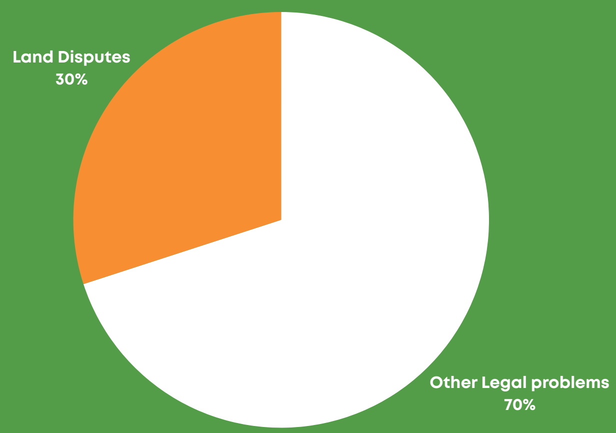
Section 22 of the Act requires that any assignment, mortgage, or transfer of a right of occupancy receive the Governor's Consent, and a transaction completed without it is void in law. In practice, many sales in Nigeria are completed using only a Deed of Assignment, with the buyer assuming the document alone is sufficient. It is not. A long, unbroken chain of unconsented assignments is one of the most common reasons a buyer discovers, often years later, that the land they paid for was never legally theirs to begin with.

Revocation and Compensation

Section 28 of the Act allows a Governor to revoke a right of occupancy for overriding public interest, which includes requirements for public purposes or breach of the terms attached to the grant. Holders are entitled to compensation, but disputes over the adequacy and timing of that compensation are common, and Section 39 grants affected parties the right to challenge a revocation before the High Court.

The Scale of the Problem

Land disputes are not a marginal legal issue in Nigeria. According to data presented by the civil society organisation Citizens Gravel in April 2024, Nigerians face an estimated 27.5 million legal problems each year, roughly one in eight people, and land disputes account for about **30 percent of that total**, the single largest category.



Source: Citizens Gravel CSO data,reported in The Guardian Nigeria, 24 April 2024.

The same data points to a justice system that struggles with speed. The average High Court case in Nigeria takes approximately 938 days, just over two and a half years, to conclude, and public perception of judicial corruption sits at 92 percent. For an agricultural investor, this matters in very concrete terms: a title dispute is rarely resolved quickly, and the land in question is typically frozen, unworkable, or contested for the duration.

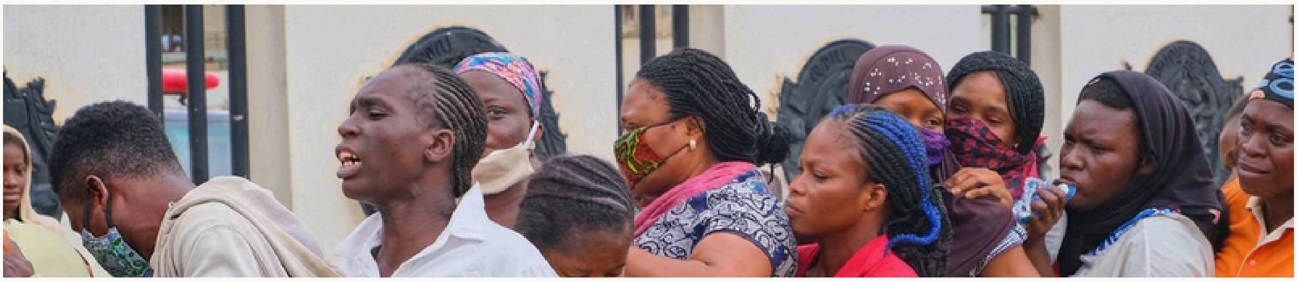
Indicator	Figure
Estimated annual legal problems in Nigeria	27.5 million
Share of legal problems that are land related	Approximately 30 percent
Average duration of a High Court case	Approximately 938 days
Public perception that the judiciary is corrupt	92 percent
Share of correctional facility population awaiting trial	70 percent

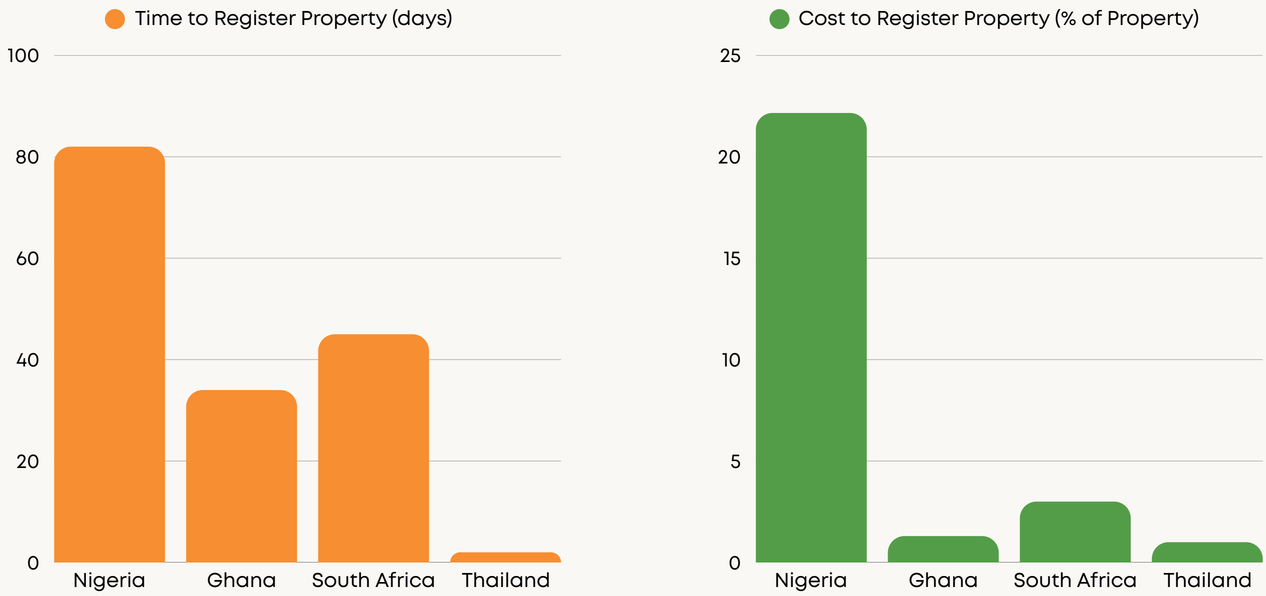
Table 1: Selected indicators on Nigeria's legal and judicial system. Source: Citizens Gravel, reported in The Guardian Nigeria, 24 April 2024.

Why Registering Property Is So Difficult

A second, related problem is procedural. Even where title is genuine and uncontested, the process of formally registering it is slow and costly by international standards. The World Bank Group's Doing Business assessment for Nigeria recorded 14 separate procedures and 82 days to register a property, at a cost equal to 22.16 percent of the property's value, measured against gross national income per capita. Separate industry estimates reported in Nigerian business press put the typical experience at around 12 procedures, close to four months, and a cost of 10 to 15 percent of property value, with the World Bank's housing finance research citing costs as high as 20 to 30 percent in some states.

Ghana, by comparison, requires roughly five procedures, 34 days, and 1.3 percent of property value. The contrast is stark enough that it shapes buyers behaviour: faced with months of delay and double digit costs, many buyers in Nigeria choose to stop at a Deed of Assignment and skip formal registration altogether, which is precisely the shortcut that later produces disputes.





Source: World Bank Group, Doing Business in Nigeria, registering property indicators

Country	Procedures	Time (Days)	Cost (% of Property Value)
Nigeria	14	82	22.16%
Ghana	5	34	1.30%
South Africa	6 to 8	45	3.00%
Thailand	1 to 2	2	1.00%

Table 2: Registering property, selected economies. Source: World Bank Group, Doing Business in Nigeria, registering property indicators; figures for comparator economies as reported in the same dataset.

Common Causes of Title Disputes

DEEMED GRANTS OVER THE SAME PLOT #01

Because no comprehensive national register of deemed rights holders exists, the same parcel can be allocated, formally or informally, to more than one party over time.

UNCONSENTED RESALE #02

A seller passes on land through a chain of Deeds of Assignment without ever securing Governor's Consent at each transfer, leaving the chain legally incomplete.

FAMILY AND COMMUNAL CLAIMS #03

Land held under customary tenure is frequently claimed by multiple branches of an extended family or by a community as a whole, and a sale by one party does not always bind the others.

BOUNDARY AND SURVEY DISCREPANCIES. #04

Where a survey plan does not precisely match the coordinates of a plot on the ground, encroachment disputes with neighbouring parcels follow.

What Protects a Buyer

SEARCH AT THE STATE LAND REGISTRY 01

A registry search confirms whether the title is genuine, whether it has been previously charged, mortgaged, or subject to litigation.

VERIFY THE SURVEY PLAN 02

An independent, registered surveyor should confirm that the plan's coordinates correspond exactly to the physical boundaries being sold, not merely to a similar looking plot nearby.

CONFIRM GOVERNOR'S CONSENT 03

Where land has changed hands more than once, each transfer in the chain should carry valid consent, not only the most recent one.

CONDUCT FAMILY DUE DILIGENCE 04

For land with any customary history, engaging directly with the family or community of original title, not only the immediate seller, surfaces competing claims before they become disputes.

PHYSICALLY INSPECT THE LAND 05

Site visits confirm that the land is unoccupied, undisputed, and matches its documentation, and periodic visits afterward deter encroachment.

Conclusion

Nigeria's land tenure system, built on a single piece of 1978 legislation, was designed to simplify and unify land administration. In practice, the gap between the law as written and the law as administered has produced a measurable, well documented pattern of disputes that consume years and erode the value of agricultural investment. None of this is unknowable in advance. A buyer who insists on a registry search, an independent survey verification, confirmed Governor's Consent across the full chain of title, and direct community engagement closes the great majority of the exposure described in this paper. The data is consistent: the cost of verification before purchase is always smaller than the cost of litigation after it.

1. Land Use Act, 1978 (Federal Republic of Nigeria).
2. World Bank Group, Doing Business in Nigeria, registering property indicators.
3. World Bank Group, Nigeria: Developing Housing Finance (policy report).
4. Citizens Gravel civil society data, reported in The Guardian Nigeria, *"Land disputes account for 30% of 27m cases yearly, CSO says," 24 April 2024.*
5. BusinessDay Nigeria, reporting on World Bank Doing Business rankings for property registration.
6. OAL Law, *"Land Ownership and Title Disputes in Nigeria: Understanding the Land Tenure System and Title Verification."*

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