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Impact of Anchor Borrower Programme on the productivity of beneficiaries in the selected local government areas of Niger State, Neigria

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A B S T R A C T

The study assessed the impact of ABP on rice farmers' yield in Niger State, Nigeria. Objectives of the study are to: identify the farmers' sources of information and determine the impact of ABP on farmers. A total of 138 farmers were randomly selected. Data was analysed using descriptive, correlation, t-test, and regression analyses. OLS result showed a significant relationship existed between beneficiaries' farming experience (ß = 19.23, $p<0.01$), farm size (ß = 17.01, $p<0.05$), (ß = 1.07, $p<0.03$) and productivity. Also, there was significant difference between the beneficiaries' productivity before and after the introduction of ABP. It was concluded that there is a causal relationship between farming experience, farm size, credit accessibility and farmers' productivity, and that ABP had a positive effect on the rice farmers' productivity. The study recommended that more information and enlightenment should be given concerning ABP, and that the programme should be given better supervision.

Introduction

Before the discovery of oil in 1958, agriculture was the primary foundation of the Nigerian economy. Nigeria used to export agricultural products such as groundnuts, cocoa, rubber, cassava, and yam to various parts of the world. Agriculture is the dominant sector in Nigeria's economy, with approximately 70% of the population engaged in this sector. Small farms contribute to about 90% of the total food production in the country, and approximately 60% of the population derives their livelihood from these small farms. [1]; [2].

In 2015, the launch of the Anchor Borrowers Programme (ABP) was necessary to address the challenges facing Nigeria's agricultural sector and to help the country recover from the recession caused by its heavy reliance on oil revenue. This program involves providing small-holder farmers (SHF) with farm inputs and cash for labor to increase the production of specific crops. After the harvest, the SHF sells their produce to the agro-processor, also known as the Anchor, who then pays the farmers the equivalent amount in cash [3]. The Central Bank of Nigeria established the Anchor Borrowers' Programme (ABP) to address the productivity challenges faced by the farmers in line with its developmental function. The initiative, launched on November 17, 2015, aims to establish a connection between leading companies engaged in crop processing and small-scale farmers involved in growing essential agricultural products like rice, palm oil, and wheat. The primary goal of the ABP is to provide small-scale farmers with agricultural inputs in both goods and cash (for labor) to enhance the production of agricultural goods, ensure a steady supply of inputs to agro-processors, and tackle the country's negative food trade balance [3].

To assess the effectiveness of the plan, pilot projects were implemented in a few states, including Kebbi, Anambra, Niger, etc. The rice pilot project that was implemented in the States has been incredibly successful. The scheme, which used integrated rice millers as purchasers to ensure that there was a ready market for the produce, benefited roughly 78,000 rural farmers in Kebbi State. Farmers achieved yields of up to 7.5 to 8.0 tons per hectare, which is more than the previous record of less than 2.0 tons per hectare in the State. Over 526 small-holder farmers in Imo state profited from agricultural input delivery under ABP, according to Nigeria Incentive-Based Risk Sharing System for Agricultural Lending [4].

But Niger State, known for being primarily an agrarian state, focuses primarily on rice farming (Niger state ADP zone A), which results in a low yield per hectare. This is largely because non-commercial farmers cannot easily access or obtain inputs like high-quality seeds, chemicals, and machinery that would increase yield and ensure the food security of rain-fed rice farmers. Nonetheless, [3] asserted that the Anchor Borrowers Program (ABP) is advantageous to Niger State. According to the source, at least 36,000 farmers signed up for the program during the previous agricultural season, and more are signing up for the current cropping season. According to the CBN, the State's success can be attributed to the 36,000 farmers' participation.

Regarding the anchor borrower's scheme, the CBN gave Niger State an extremely high rating out of the 36 States in the federation and the FCT. The governors' dedication and political resolve were credited by the Central Bank with the State's agricultural achievement. About 24,933 farmers in Niger State were anticipated to gain from the CBN's Anchor Borrowers Program in 2018 alone, according to the Rice Farmers Association of Nigeria (RIFAN). Reiterating how much the loan program in the State has benefited rice farmers, CBN expressed regret over recipients' payment defaults. In 2019, it was anticipated that the project would help roughly 24,933 rice farmers from all over the State.

Objectives of the study

The broad research objective is to assess the impact of ABP on the productivity of beneficiaries in the selected local government areas of Niger State. The specific objectives include:

i. Describe the socio-economic characteristics of rice farmers in the study area
ii. Identify the farmers' sources of information on ABP,
iii. Determine the impact of ABP on the respondents' productivity,

Hypothesis

Ho_2: There is no significant difference in the rice farmers 'yield before and after the introduction of ABP

Results and discussion

1. Socioeconomic characteristics of the respondents

Table 1 displays the age distribution of the farmers. The majority of ABP beneficiaries (69.6%) were between the ages of 26 and 45, 26.1% were between the ages of 46 and 45, and 4.3% were under the age of 25. The responders' average age was forty-five years old. Farmers find that age distribution matters since agriculture, particularly in rural regions, depends mostly on human labor, and younger individuals are more resilient because of their inherent strength [5].

Additionally, the bulk of ABP beneficiaries (96.4%) were married, with 3.6% of them being single (Table 1). It implies that the participants were accountable and responsible. The high marriage rate indicates that among Nigerians living in rural areas, marriage is highly valued. It is a significant component that

promotes program and project success in rural Nigeria [6].

Additionally, a review of the study of region respondents' educational backgrounds revealed that 26.8% of the ABP beneficiaries had studied the Quran. Additionally, 25 percent of them earned a National Diploma (ND) or National Certificate in Education (NCE), 23.9% completed secondary school, 8.7% earned a Higher National Diploma or Degree, and 2.2% occasionally pursued adult education. Education is an investment in human capital that contributes to improving farmers' knowledge, efficiency, and quality of farming abilities. This aids in raising the farmers' standard of life or welfare by increasing their productivity and production efficiency [5].

Table 1 also shows that while 32.6% of respondents had 6–10 people per family, most respondents (67.3%) had 1–5 people per household. Five people lived in a household on average. This suggests that the research area's respondents had somewhat sized households. Four people living in a typical African home is a small number given the culture's pride in larger households. However, large households are more likely to adopt new technologies, which depends on the labor force's availability for farming. According to [8], households in Western Kenya with maize technology users were larger than those without.

Additionally, Table 1's results show that 30.0% of the respondents operated on 1.12 hectares, whereas 40.1% of the respondents had farms with a size of ≤1 hectare. The average farm was 1.7 hectares in size. This suggests that small-scale farmers were among the responders. The lack of effective water control, mechanization, and land tenure systems, which are prevalent in most of Africa, could be largely blamed for the tiny size of farms. This result is consistent with that of [7], who claimed that, aside from very small farm sizes, most empirical studies of African agriculture reveal no significant economy of scale.

Table 1 also reveals that 30.5% of respondents had 6–10 years, 6.4% had ≤5 years, and 47.2% had 11–15 years of agricultural experience. The remaining minority, 3.6%, had ≥21 years of experience. Twelve years was the typical experience in farming. This suggests that the responders were seasoned agriculturalists. A person's year of experience in each field determines whether they are eligible for financial aid in the form of a credit or loan [9].

Furthermore, Table 1 demonstrates that 87.7% of the respondents are members of a farmers' group, whereas 12.3% are not. Farmers typically turn to these social networks to get money and other necessities. They supply various input requirements as well as a source of quick cash. They might also be a source of information sharing regarding current events and production that is pertinent to the demands of farmers. The degree of organization among farmers is demonstrated by their membership in farmers' associations [10].

Furthermore, most of the farmers (94.2%) were ignorant of the name or variety of rice they were growing. It suggests that their focus was on productivity rather than the proper names for rice. While 0.7% of the farmers cultivated Faro-44, 5.1% of the farmers could positively state that they cultivated local variety.

Table 1. Distribution of respondents according to the socioeconomic characteristics (n=138)

Note: *Data for this table is derived from the same sample used to address different research variables especially as it's presented in Kudu et al. (2024). Loan Repayment and Diversion among Anchor Borrower Programme's Beneficiaries in Niger State, Nigeria. NTU Journal of Agricultural and Veterinary Sciences 4 (2): 136-140*

Variables	Frequency	Percentage	Mean
Age (years)			
≤25	6	4.3	
26—45	96	69.6	40
≥46	36	26.1	
Married	133	96.4	
Single	5	3.6	
Education			
Quranic	37	26.8	
Adult education	3	2.2	
Primary	13	9.4	
Secondary	33	23.9	
ND / NCE	35	25.4	
HND/Degree	12	8.7	
Association membership			
Member	121	87.7	
Non-member	17	12.3	
Household size			
1—5	93	67.3	
6—10	45	32.6	5
Farm size (ha)			
≤1	50	40.1	
1.1—2	45	30.0	

2.1—3	22	14.4	1.7
3.1—4	18	13.0	
≥4.0	3	1.4	
Farming experience (yrs)			
≤5	12	6.4	
6- 10	39	30.5	
11—15	56	47.2	1.2
16--20	26	12.0	
≥21	5	3.6	
Land ownership type			
Family land	30	21.7	
Inheritance	53	38.4	
Leased	31	22.5	
Purchased	21	15.2	
Rice varieties cultivated			
Faro 44	1	0.7	
Local variety	7	5.1	
Unknown	130	94.2	

Sources of information on ABP

Table 2 shows that over 84% of respondents named four primary sources—radio, family and friends, extension agents, and cooperative societies—as their primary sources of information on the Anchor Borrower Program. It suggests that when it comes to providing farmers in rural areas with pertinent information, extension agents are still a formidable force to be reckoned with [11]. Furthermore, radio has been and continues to be a true information-gathering medium. Being a mass media instrument, radio has a significant impact since it may reach a sizable audience simultaneously with other forms of communication. This supports [12] conclusion that radio reaches a wider audience and has a larger social network than any other medium for disseminating information. Furthermore, the value of friends and cooperative organizations as information sources cannot be overstated. Friends, family, and cooperative organizations are the least expensive sources of information [13]. Information sources are the locations from which pertinent data is obtained for the benefit of farming communities and human generalities.

Table 2. Sources of information on ABP (n=138)

Characteristics	Frequency	Percentage
Friends	116	84.1
Neighbours	95	68.8
Market	20	14.5
Village head	51	37.0
Extension agents	122	88.1
Cooperative societies	116	84.1
Meetings	91	65.9
Contacts	3	2.2
Farm centre	18	13.0
Radio	117	84.8
T.V.	39	28.3
Social media	33	23.9
Posters	12	8.7
Extension bulletin	16	11.6
Totals	849*	

*Multiple responses

Respondents' productivity (before and after ABP)

Table 3 reveals that prior to the implementation of ABP, most respondents (86.2%) recorded 4 tons per hectare or less. However, following their involvement in ABP, 26.8% of the farmers recorded more than 6 tons/ha. Prior to and during the implementation of ABP, the mean agricultural yield of farmers was 7.5 and 9.5 tonnes/ha, respectively. As a result, ABP increased recipients' productivity by 2 tons per hectare. It suggests that if there are financial aids in the form of loans, such ABP and input supply schemes, farmers' productivity will increase. This is consistent with [14] findings regarding the impact of finance on agricultural enterprises' productivity.

Table 3. Respondents' productivity (before and after ABP) (n=138)

Productivity(tons/ha)	Before		After	
	Freq	%	Freq	%
≤4	119	86.2	72	52.1
4.1—6	13	9.4	29	21.1
≥6.1	6	4.2	37	26.8
Mean yield	7.5		9.5	

Conclusion

The study concludes that farmers' productivity, farm size, finance accessibility, and farming experience are all causally related. Additionally, radio and extension agents continue to be effective ways to disseminate information. Additionally, the program works well since it increases the beneficiaries' productivity. To encourage more potential beneficiaries to take advantage of the program, additional information and education about ABP should be provided. Furthermore, prompt loan disbursement would increase farmers' production.

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