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Effectiveness of the Anchor Borrower's Programme on the Livelihood of Rice Farmers in Anambra State, Nigeria

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Abstract
This study assessed the effectiveness of the Anchor Borrowers' Programme (ABP) on the livelihood of rice farmers in Anambra state, Nigeria. A multistage sampling procedure was employed in selecting 80 respondents. With the aid of a questionnaire, data were collected on effect of ABP on rice farmers' productivity, perceived effect of ABP on the farmers' standard of living, effectiveness of ABP on their livelihood, and problems encountered by the ABP beneficiaries in accessing the programme. Collected data were analysed using percentages and mean and hypothesis tested using Pearson's Product Moment Correlation. Results show that the ABP had marginal impact ($\bar{x}$ = 2.52) on the productivity of the farmers, with input supplies having most significant impact. The effect of ABP on the farmers' standard of living was high ($\bar{x}$ = 2.62), and the beneficiaries perceived the ABP to be effective ($\bar{x}$ = 3.75) in line with all the objectives of the programme. The result also shows that the beneficiaries encountered severe constraints such as; Lack of adequate training ($\bar{x}$ = 3.75), lack of proper supervision ($\bar{x}$ = 3.68) among others, and further revealed that there is a significant relationship between the constraints faced by the farmers and the effect of the programme on their productivity. The study concludes that though the programme was rated high in its effectiveness, this could not translate to increased productivity for the rice farmers. It therefore recommends improving the Anchor Borrowers' Programme by enhancing monitoring, ensuring timely and adequate input distribution, and fully implementing all project components such as training.
Keywords: Anchor Borrower, Beneficiaries, Effectiveness

Introduction

In most Sub-Saharan African nations, rice is a vital staple grain that sustains millions of farmers and households (Elum and Ibraye, 2022). Given its demand in all 36 States, including Anambra, all Local Governments, and across all sociodemographic groups, it has also become an important staple food crop in Nigeria (Opeyemi, Idowu, and Romanus, 2020). The rise in milled rice from 2,818 million metric tonnes in 2010 to 5,000 million metric tonnes in 2021 indicates that Nigeria has lately seen a large boost in rice production (Sasu, 2022). This degree of expansion in the country's rice production sector will not only provide Nigerian households with the 2,400 calories per person per day that the country needs for food security, but it will also raise the country's rice sector from its current subsistence level to a commercial one (Obianefo, Nwigwe, Meludu, and Anyasie, 2022). Given its increasing significance and prominent position among major food crops, as well as the fact that it provides a living for many Nigerian farmers, rice is one of the crops considered under the Anchor Borrowers' Programme (ABP) (Salisu, Adebayo, Jirgi, and Ojo, 2022).

To improve farmers' livelihoods through guaranteeing credit performance and boosting farmers' input usage, the Nigerian government launched the anchor borrowers' programme in 2015. This was intended to be accomplished by expanding the recipients' access to credit, farm financing, and agricultural inputs such as fertilizer, agrochemicals, and better seeds and seedlings, as well as equipment like tractors, ploughs, harrows, and other machinery in exchange for cash and in-kind assistance. The Anchor Borrowers' Programme also sought to remedy the country's negative food balance of payments, stabilize the input supply to agro processors, and boost the country's output of specific commodities of interest, such as rice, maize, wheat, or cassava (Opeyemi, Idowu, and Romanus, 2020). According to the Central Bank of Nigeria (CBN), risk sharing and insurance coverage are two other noteworthy goals of the anchor borrowers' scheme. By increasing productivity and lowering rice imports, the nation's foreign reserve will be preserved. Additionally, the government's cashless policy and financial inclusion will be strengthened, a new generation of farmers and entrepreneurs will be created, employment will be created, poverty levels among farmers will be decreased, and rural farmers will be helped to transit from subsistence to commercial production levels. The financial institutions, mostly banks, were instructed to lend to rice farmers at a maximum of 9% after receiving 2% loans from the CBN (CBN, 2016).

The anchor borrowers' programme, launched through the CBN, was broadly aimed at creating a linkage between anchor companies involved in the processing and the farmers who required essential agricultural commodities (CBN, 2016).

Despite Government's intervention through ABP to improve rice production in Anambra State, the cost of rice has continually been on the rise, production has remained mostly the job of smallholder farmers who produce on a small scales and farmers still scamper for inputs. How well ABP has delivered on her mandate on improving the livelihood of rice farmers in Anambra state is not known to the best of the researcher's knowledge. This study was set up to assess the effectiveness of the Anchor Borrower's Programme (ABP) on the livelihood of rice farmers in Anambra state, Nigeria. It specifically ascertained the effect of ABP on the productivity of the farmers, determined the perceived effect of ABP on the standard of living of the farmers, determined the effectiveness of ABP on rice farmers' livelihood, and ascertained the problems encountered by the ABP beneficiaries in accessing the programme. The hypothesis for the study stated that there is no significant relationship between the constraints faced by ABP beneficiaries in accessing the intervention and the effect of the programme on their productivity.

Methodology

The study was conducted in Anambra State, Nigeria. The state is in the south-eastern part of Nigeria Anambra has an estimated population of 5,953,500 projected from 2006 census at 2.2% annual population change (Brinkhoff, 2022). The State is sub-divided into four agricultural zones (Onitsha, Anambra, Awka and Aguata).

A multistage sampling procedure was used in selection of respondents, firstly, two agricultural zones were randomly selected from the four agricultural zones in Anambra state, Nigeria. The second stage was the random selection of one L.G.A from the selected Agricultural zones making up two L.G.As. In the third stage, was a random selection of 5 communities which gave a total of 10 communities. In the fourth stage, one village was randomly selected from each of the ten communities, giving a total of 10 villages for the study. In the last stage, 8 rice farmers who are beneficiaries of anchor borrowers' programme were purposively selected with the aid of the village heads and extension officers, making a total of 80 respondents for the study.

This study made use of primary data which were collected using structured questionnaire and analysed using descriptive statistics such as frequency distribution, percentage and mean. The study hypothesis was analysed using Pearson Product-Moment Correlation (PPMC) to test the significant relationship between the constraints faced in accessing ABP and the effects of ABP on Rice farmers' productivity.

Results and Discussion

Effect of ABP on the Productivity of the Rice Farmers

Table 1 shows the result of the effect of the ABP on the productivity of Rice farmers in the study area. From the result, a grand mean of 2.52 shows the rice farmers agreed that ABP had marginally high effect on their productivity. The beneficiaries agreed that the ABP improved Seeds/seedling support has enhanced their productivity ($\bar{x}$ = 3.26), their fertilizer support has enlarged their productivity ($\bar{x}$ = 3.10) and their agrochemicals support enhanced their productivity ($\bar{x}$ = 3.18). These results had mean scores above the benchmark of 2.5, while the other items on the effect of ABP on productivity of rice farmers were below the benchmark, showing that the beneficiaries did not agree that they enhanced their productivity. This result shows that the ABP input supplies made significant impact on the productivity of the rice farmers while cash and machinery supplies did not. The implication of this result is that timely and easy access to farm inputs such as seeds/seedlings, fertilizers and agro chemicals from ABP boosted the productivity of the farmers. This finding is in consonance with that of Balogun et al. (2021) who observed that ABP farmers received input supplies orchestrated by the ABP and Akinbile (2023) who stated that access to improved seeds will ensure good yields that have high quality. However, cash and equipment support were seen not to enhance productivity because they were not available to the farmers, perhaps as expected. The short supply of equipment and machines may not be unconnected with the small land holdings of farmers in the southeast due to land fragmentation. Affirming this, Odinaka (2023) noted that land tenure system in his study area was a clog in the wheel that makes it difficult for people to own large expanses of land that can be used for commercial farming.

Table 1: Effect of ABP on Rice Farmers' Productivity

Effect of ABP on Productivity	SA 4	A 3	DA 2	SDA 1	$\sum fx$	$\bar{x}$	Remark
Cash support has enhanced my productivity	25 (31.3)	12 (15.0)	10 (12.5)	33 (41.3)	189	2.36	Low
Improved Seeds/seedling support has enhanced my productivity	38 (47.5)	26 (32.5)	15 (18.8)	1 (1.3)	261	3.26	High
Fertilizer support has enhanced my productivity	24 (30.0)	48 (60.0)	0 (0.0)	8 (10.0)	248	3.10	High
Agrochemicals (Herbicides, Pesticides) Support have enhanced my productivity	32 (40.0)	38 (47.5)	2 (2.5)	8 (10.0)	254	3.18	High
Plough support has enhanced my productivity	0 (0.0)	0 (0.0)	66 (82.5)	14 (17.5)	146	1.83	Low
Tractor support has enhanced my productivity	2 (2.5)	17 (21.3)	47 (58.8)	14 (17.5)	167	2.09	Low
Harrow support has enhanced my productivity	0 (0.0)	3 (3.8)	60 (75.0)	17 (21.3)	146	1.83	Low
Grand Mean						**2.52**	

Source: Field Survey, 2023 Note: SA=Strongly Agree, A=Agree, SDA=Strongly Disagree and D=Disagree Decision mean=2.5; Figures in parenthesis are percentages

Perceived Effect of Anchor Borrowers Programme on Rice Farmers' Standard of Living

Table 2 shows the result of the effect of the programme on the standard of living of the farmers in the study area. From the result, a grand mean of 2.69 shows that, respondents' assessment of the effect of the programme on their standard of living was high. Furthermore, apart from the mean ($\bar{x}$ = 1.85) on their ability to afford and live in better houses, which was below the benchmark of 2.5, all the other items on the effect of ABP on the standard of living of rice farmers were above the benchmark. This result shows that the ABP programme had improved the standard of living of the rice farmers in the study area and the result is in consonance with the works of Umeh and Adejo (2019) who said ABP improved the standard of living of its beneficiaries.

Table 2: Perceived Effect of ABP on Rice Farmers' Living standard

Effect of ABP on Living standard	SA 4	A 3	DA 2	SDA 1	$\sum fx$	Mean ($\bar{x}$)	Remark
ABP has helped my business to grow	5 (6.3)	65 (81.3)	2 (2.5)	8 (10.0)	227	2.84	High
The quantity of Rice I produce has increased	4 (5.0)	66 (82.5)	2 (2.5)	8 (10.0)	226	2.83	High
I make more money farming rice now than before	0 (0.0)	70 (87.5)	2 (2.5)	8 (10.0)	222	2.78	High
The money I make has improved our standard of living	0 (0.0)	70 (87.5)	2 (2.5)	8 (10.0)	222	2.78	High
We eat better food in my house now than before	0 (0.0)	70 (87.5)	2 (2.5)	8 (10.0)	222	2.78	High
We can afford and live in a better house now	6 (7.5)	6 (7.5)	38 (47.5)	30 (37.5)	148	1.85	Low
I am able to pay my children's school fees easily	26 (32.5)	36 (45.0)	5 (6.3)	13 (16.3)	235	2.94	High
Grand Mean						**2.69**	

Source: Field Survey, 2023 Note: SA=Strongly Agree, A=Agree, SDA=Strongly Disagree and D=Disagree Decision mean=2.5; Figures in parenthesis are percentages

Perceived Effectiveness of Anchor Borrowers' Programme on Rice Farmers' Livelihood

The results in Table 3 show beneficiaries' perceptions of the effectiveness of the Anchor Borrowers Programme study area. The finding indicated a grand mean of 2.63, which is above the benchmark of 2.5, implying that beneficiaries perceived the ABP as effective in achieving the programme's objectives. However, two components scored below the benchmark: provision of farm machines ($\bar{x}$ = 1.25) and facilitation of collaboration with other agricultural firms ($\bar{x}$ = 1.16) which beneficiaries did not regard as evidence of the programme's effectiveness. All other variables related to programme effectiveness were rated above the benchmark mean of 2.5. This affirms that the programme was effective and met most of its mandate in the study area. These results corroborate the findings of Akinbile et al. (2023) and Isah et al. (2022), who also reported that the programme was effective in line with its objectives in their respective studies.

Table 3: Effectiveness of Anchor Borrowers Programme

Perceived Effectiveness of ABP	SA 4	A 3	D 2	SDA 1	∑*fx*	Mean ($\bar{x}$)	Remark
ABP gave me financial support through loans to grow my rice business	21 (26.3)	47 (58.8)	2 (2.5)	10 (12.5)	239	2.98	Positive
ABP provided me with improved rice seeds and seedlings to enhance my production	61 (76.3)	11 (13.8)	0 (0.0)	8 (10.0)	285	3.56	Positive
ABP provided farm inputs in kind and in cash to boost my productivity.	25 (31.3)	45 (56.3)	2 (2.5)	8 (10.0)	247	3.08	Positive
ABP Provided me with farm machines	1 (1.3)	0 (0.0)	17 (21.3)	62 (77.5)	100	1.25	Negative
ABP has stimulated increase in the quantity of rice I produce	20 (25.0)	49 (61.3)	2 (2.5)	9 (11.3)	240	3.00	Positive
ABP helped to connect me with marketers who bought my goods	21 (26.3)	47 (58.8)	2 (2.5)	10 (12.5)	239	2.98	Positive
ABP helped to connect me with processors, turned my rice paddy into finished products	25 (31.3)	45 (56.3)	2 (2.5)	8 (10.0)	247	3.08	Positive
ABP made it easy for me to work with other agricultural firms	3 (3.8)	2 (2.5)	0 (0.0)	75 (93.8)	93	1.16	Negative
Working with ABP has increased my income from rice sales	61 (76.3)	11 (13.8)	0 (0.0)	8 (10.0)	285	3.56	Positive
ABP has made me an employer of labour	49 (61.3)	21 (26.3)	2 (2.5)	8 (10.0)	271	3.39	Positive
Grand Mean						**2.63**	**Positive**

Source: Field Survey, 2023

Note: SA=Strongly Agree, A=Agree, SDA=Strongly Disagree and D=Disagree; Decision mean=2.5; Figures in parenthesis are percentages

Constraints Encountered by Beneficiaries in Accessing the Programme

The results presented in Table 4 pertain to the constraints associated with beneficiaries' access to the programme. An overall mean score of 3.0 was recorded, indicating the severity of the constraints studied. Apart from 'poor output after intervention' ($\bar{x}$ = 2.09) and 'no link to marketers' ($\bar{x}$ = 2.04), all other constraints listed were considered severe barriers to farmers accessing the intervention. Sambe et al. (2020) and Bello et al. (2021), in their separate studies, also reported similar constraints faced by Anchor Borrowers Programme beneficiaries.

Table 4: Distribution of Respondents Based on Constraints in Accessing ABP in the State

Constraints	SA 4	A 3	DA 2	SDA 1	$\sum fx$	Mean $\sum fx/n$	SD	Remark
Lack of adequate training	72	2	0	6	300	3.75	0.804	Severe
Lack of Proper Supervision	66	8	0	6	294	3.68	0.823	Severe
Untimely release of funds	65	7	2	6	291	3.64	0.860	Severe
Untimely release of inputs	32	32	10	6	250	3.13	0.905	Severe
Difficulty accessing loans	39	33	2	6	265	3.31	0.851	Severe
Unavailability of seed/seedling	13	37	24	6	217	2.71	0.829	Severe
Difficulty accessing farm inputs	14	37	23	6	219	2.74	0.838	Severe
Poor output after intervention	4	5	65	6)	167	2.09	0.578	Not Severe
No link to marketers	6	0	65	9	163	2.04	0.645	Not Severe
No link with Processors	8	63	3	6	233	2.91	0.658	Severe
Grand Mean						**3.0**		Severe

Source: Field Survey, 2023 Note: SA=Strongly Agree, A=Agree, SDA=Strongly Disagree and D=Disagree; Decision mean=2.5; Figures in parenthesis are percentages

Hypothesis Testing

The Pearson Product Moment Correlation coefficient was used to determine the relationship between the constraints faced in accessing the Anchor Borrowers Programme (ABP) and its effect on rice farmers' productivity in the study area. At the 0.05 alpha level, the calculated r-values of 0.396, 0.403, 0.309, 0.295, and 0.285 for constraints 1, 2, 3, 5, and 8, respectively, were greater than the tabulated r-value (0.217), indicating a significant relationship between the constraints faced by farmers and the effect of the programme on their productivity. This result implies that unless the challenges faced by the beneficiaries are addressed, the expected positive impact of the intervention on rice farmers' productivity may not be realized. According to Balogun et al. (2021), the constraints experienced by beneficiaries affected their productivity, which supports the findings of this study. This result also aligns with the work of Bello et al. (2021).

Table 5: Test of significant relationship between the constraints faced in accessing ABP and the effect of ABP on Rice Farmers Productivity

	Pearson Correlation	Sig. (2-tailed)	n	r-tab (PPMC table	Decision
Effect on Productivity/Constraint 1	0.396**	0.000	80	0.217	H_0 rejected
Effect on Productivity /Constraint 2	0.403**	0.000	80	0.217	H_0 rejected
Effect on Productivity/Constraint 3	0.309**	0.005	80	0.217	H_0 rejected
Effect on Productivity/Constraint 4	0.179^{ns}	0.119	80	0.217	H_0 accepted
Effect on Productivity/Constraint 5	0.295**	0.000	80	0.217	H_0 rejected
Effect on Productivity/Constraint 6	-0.109^{ns}	0.336	80	0.217	H_0 accepted
Effect on Productivity/Constraint 7	0.183^{ns}	0.104	80	0.217	H_0 accepted
Effect on Productivity /Constraint 8	0.285**	0.010	80	0.217	H_0 rejected

$p \leq 0.05$ Constraints: 1 = Lack of adequate training; 2 = Lack of Proper Supervision; 3= Untimely release of funds; 4 = Untimely release of inputs; 5 = Difficulty accessing loans; 6= Unavailability of seed/seedling; 7 = Difficulty accessing farm inputs; 8 = No link to processors.

Conclusion and Recommendations

The study therefore concludes that although the programme was rated highly in terms of effectiveness, this did not translate into increased output among rice farmers. Challenges such as inadequate training, insufficient supervision, untimely release of funds, difficulty accessing machinery and loans, and the inability to connect with processors affected the programme's impact.

The study recommends that, for the Anchor Borrowers Programme and future interventions to be more effective and successful, the government should enhance monitoring, ensure timely and adequate input distribution, and fully implement all project components, such as training and prompt fund disbursement. Stronger supervision should also be encouraged to promote the effective use of resources and the achievement of intended goals.

Additionally, the study encourages farmers to form cooperatives and pool their resources to access greater benefits. For example, by consolidating their land resources, it may become easier to access and use machinery.

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