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Effect of Anchor Borrowers' Programme on the Annual Income of Rice Farmers in Aninri Local Government Area, Enugu State, Nigeria

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Abstract
This study examined the effect of the Anchor Borrowers' Programme (ABP) on the annual income of rice farmers in Aninri Local Government Area of Enugu State, Nigeria. The specific objectives were to identify ABP activities extended to them, and ascertain their annual income. A multistage sampling technique was employed to select 120 rice farmers across selected villages. Data were analyzed using descriptive statistics and Pearson correlation. Findings revealed high participation in training (90%), input supply (75%), extension services (80%), and farming equipment (78.33%), but limited access to credit (50%), water pumps (24.17%), and market linkages (31.67%). The mean annual income of the farmers was N359,745.83. However, the Pearson correlation analysis showed no significant relationship between ABP participation and farmers' annual income (r = 0.054; p = 0.425), indicating that the programme did not significantly improve farmers' income in the study area. The study concluded that, while the ABP provided valuable support services, its financial impact remains limited. It recommended expanding credit access, improving market linkages, and strengthening irrigation infrastructure to enhance programme effectiveness.
Keywords: Anchor Borrowers' Programme (ABP), Rice farmers, Credits, Participation

Introduction

The Anchor Borrowers' Programme (ABP), launched by the Central Bank of Nigeria in 2015 under the Buhari administration, was designed to provide loans (in kind and cash) to smallholder farmers, including rice farmers, in order to boost agricultural production and reduce food importation (CBN, 2016; Akinwale, 2021). According to Okoroh *et al.* (2021), participating farmers gained access to credit facilities to purchase farm inputs, hire labour, and expand their production scale. This progression from subsistence to commercial farming resulted in increased income and improved living standards.

Through the ABP, rice farmers received quality inputs such as improved seeds and fertilizers, and benefit from mechanized services like ploughing and harrowing, which were often provided as part of the loan package (Okoroh *et al.,* 2021). Furthermore, farmers were trained on how to access loans, manage accounts, and adopt good agricultural practices. This systematic support enhanced productivity, market access, and profitability. By 2022, over 4.8 million farmers had benefited financially from the programme, with more than 5.2 million hectares of land cultivated nationwide, including rice farms (Mojeed, 2022; Akinfenwa, 2022). The programme's focus on rice as a priority crop, alongside government efforts to reduce rice

importation, created an enabling environment for higher local rice output and better income for rice farmers (Oba *et al.,* 2021; Mahmud et al., 2022).

In Nigeria, agriculture employs nearly 75% of the population, yet the sector receives only about 1% of formal bank lending, limiting productivity, innovation, and income growth among smallholder farmers (Ahmed & Mesfin, 2017). These farmers, who play a vital role in national food production—especially rice—often lack access to credit facilities, improved inputs, and mechanization needed to increase yields and income (IFC, 2014).

To bridge this gap, the Federal Government launched the Anchor Borrowers' Programme (ABP) in 2015 through the Central Bank of Nigeria (CBN), with the goal of linking smallholder farmers to finance, inputs, and structured markets (CBN, 2016). The programme targeted staple crops, particularly rice, and provides loans (in kind and cash), extension services, and access to quality inputs to help farmers increase their productivity and income levels (Akinwale, 2021; Okoroh et al., 2021).

According to Okoroh et al. (2021), rice farmers enrolled in ABP receive farm inputs, mechanized services like ploughing and harrowing, and are educated on how to access and manage loans through partner banks. Upon harvest, farmers supply their produce to designated anchors (agro-processors), who pay them directly, ensuring both market access and cash returns. These interventions are expected to increase annual income by transitioning farmers from subsistence to commercial production.

In Enugu State, the CBN committed to supporting 20,000 rice farmers under the ABP during both the rainy and dry seasons (Nigerian Tribune, 2017). However, the actual effect of this initiative on the income levels of rice farmers in Aninri Local Government Area has not been well-documented. While prior studies evaluated the ABP's impact on agricultural output and credit access in broader contexts (Salisu *et al*., 2022; Akighir *et al.,* 2021), there is a noticeable gap in research on how the programme specifically affected the annual income of rice farmers in Aninri LGA.

This study, therefore, examined the effect of the Anchor Borrowers' Programme (ABP) on the annual income of rice farmers in Aninri LGA, Enugu State. The specific objectives were to,

identify the ABP activities extended to rice farmers in the study area,

ascertain the annual income of the ABP rice farmers in the study area.

It was hypothesized that there was no significant relationship between the ABP programme and the annual income of rice farmers in Aninri LGA Enugu State.

Methodology

The study was conducted in Aninri LGA of Enugu State, located in the Southeast geopolitical zone of Nigeria. Geographically, the LGA spans an area of approximately 364 square kilometers and is characterized by a tropical climate with two distinct seasons: a rainy season and a dry season. Aninri LGA receives an annual rainfall ranging from 1000mm to 1400mm, with temperatures fluctuating between 28°C and 34°C, and an average temperature of 28.5°C. The relative humidity is estimated at 62%, creating a favourable environment for agricultural activities, particularly rice cultivation, which is a key crop under the Anchor Borrowers' Programme (Nwaobiala & Ogbonna, 2014).

The population of Aninri was estimated at 154,239 in the 2006 national census; however, recent projections placed the population at approximately 97,865 (Manpower, 2019). The dominant religion is Christianity, although a small proportion of the population still practices traditional beliefs.

Agriculture is the primary economic activity, making it a suitable location for assessing the impact of agricultural interventions such as the Anchor Borrowers' Programme. Commerce also plays an important role in the local economy, with key markets like Afor Okpanku and Oduma Central serving as hubs for agricultural produce and other goods (Manpower, 2019; Propertypro, 2019).

The population of this study consisted of rice farmers who benefited from the Anchor Borrowers' Programme (ABP) in Aninri LGA, Enugu State. A multistage sampling technique was used in selecting the sample size. At the first stage, three communities were purposively selected based on their participation in

ABP. At the second stage, two villages were randomly chosen from each community. Finally, twenty (20) ABP rice farmers were selected from each village, resulting in a total sample of 120 respondents.
Data were analyzed using descriptive and inferential statistics. Objectives 1, was realized using frequency and percentage, objective 2 was realized using mean and the hypothesis was tested using the Pearson's correlation coefficient.

Results and Discussion

ABP activities received by the ABP rice farmer in Aninri LGA Enugu State

Table 1 shows the findings from the study. Distribution of rice farmers according to the ABP activities received by the ABP rice farmers in Aninri LGA Enugu state. The result showed that very high proportion of farmers (90%) received training, while 80% benefitted from extension services. This indicated that the programme prioritized knowledge transfer and skill acquisition, which were critical for improving farmers' technical efficiency and adoption of modern farming practices.

The result also showed that a substantial percentage of farmers accessed input supply (75%) and farming equipment (78.33%), showing that the programme provided moderate support in terms of production resources. Advisory services were also fairly provided to 61.67% of the farmers, which complements the training and extension activities. On the other hand, access to financial resources was relatively weak. Only 50% of the farmers received credit facilities and fertilizer, while 68.33% benefitted from running capital. This implied that a significant number of farmers still faced financial constraints that could hinder their ability to expand production or fully utilize the training and equipment received.

Table 1: Distribution of rice farmers according to the ABP activities

S/N	Activities	Yes		No	
		Frequency	Percentage (%)	Frequency	Percentage (%)
1	Training	108	90.00	12	10.00
2.	Advisory services	74	61.67	46	38.33
3.	Input supply	90	75.00	30	25.00
4.	Farming equipment	94	78.33	26	21.67
5.	ABP credit facilities	60	50.00	60	50.00
6.	Fertilizer	61	50.83	59	49.17
7.	Extension services	96	80.00	24	20.00
8.	Water pumping machines	29	24.17	91	75.83
9.	Provide linkages between smallholder farmers (SHFs) and reputable companies (anchors)	38	31.67	82	68.33
10.	Provision of running capital	82	68.33	38	31.67

Source: Field Survey, 2024

Annual income of the ABP rice farmers in the study area.

Table 2 presents the annual income distribution of rice farmers in the study area, revealing significant variations in earnings. The majority of rice farmers (64.17%) fall into the income category of N401,000 and above, indicating that majority of farmers in the study area earn relatively high annual incomes. Meanwhile, the minority of farmers, 3 (2.50%), earn between N51,000 and N100,000, N350,000 and N400,000, with no farmers reporting incomes between N101,000 and N150,000. The mean annual income of the farmers is calculated at N359,745.83.

Table 2: Distribution of the rice farmers and according to their annual rice income

S/N	Annual income	Frequency	Percentage (%)	Mean
1.	₦10,000-₦50,000	10	8.33	₦359,745.83
2.	₦51,000 – ₦100,000	3	2.50	
3.	₦101,000 – ₦150,000	-	-	
4.	₦151,000 – ₦200,000	7	5.83	
5.	N250,000 – N300,000	18	15.00	
6.	N301,000 – N350,000	2	1.67	
7.	N350,000 – N400,000	3	2.50	
8.	N401,000 and above	77	64.17	
TOTAL		**120**	**100**	

Source: Field Survey, 2024

Hypotheses Testing

There is no significant relationship between the ABP programmes and the annual income of rice farmers in Aninri LGA Enugu state

The analysis of the relationship between participation in the Anchor Borrowers' Programme (ABP) and the annual income of rice farmers in Aninri LGA, Enugu State, shows a statistically non-significant result. The Pearson correlation coefficient (r = 0.054) with a p-value of 0.425 exceeds the 0.05 significance threshold, indicating no meaningful correlation between ABP participation and income level.

This suggests that despite the intended benefits of the ABP—such as access to credit, inputs, and training—the programme has not significantly improved the income of participating rice farmers in the study area. Possible reasons for this outcome may include implementation inefficiencies, market access limitations, climatic factors, or low adoption of improved practices.

The findings underscore the need to re-evaluate the structure and delivery mechanisms of the ABP, with particular attention to addressing external constraints that may be impeding its impact on farmers' financial outcomes.

Table 3: A correlation results of the significant relationship between the extended programs and perceived role of ABF programme in poverty alleviation among rice farm

		ABP PROGRAMS	MEAN PERCIEVED EFFECT
ABP PROGRAMS	Pearson Correlation	1	.179*
	Sig. (2-tailed)		.150
	N	120	120
PERCIEVED EFFECT	Pearson Correlation	.179*	1
	Sig. (2-tailed)	.150	
	N	120	120

*. Correlation is significant at the 0.05 level (2-tailed).

Conclusion

This study examined the effect of the Anchor Borrowers' Programme (ABP) on rice farmers' annual income in Aninri LGA, Enugu State, with a focus on their socio-economic characteristics, participation in ABP activities, and annual income levels. Findings revealed that the majority of rice farmers were actively involved in key ABP activities such as training, input supply, extension services, and equipment provision, indicating a fair level of programme implementation in the area.

However, despite these interventions, the statistical analysis showed no significant relationship between participation in the ABP and the annual income of rice farmers. The Pearson correlation coefficient (r = 0.054, p = 0.425) confirms that ABP participation did not translate into measurable income increases for beneficiaries.

This suggests that while the programme has successfully delivered several forms of support, its impact on income generation remains limited, likely due to factors such as uneven access to credit, poor infrastructure (e.g., water pumping machines), and weak market linkages. The study, therefore, concludes that enhancing the effectiveness of ABP requires a more holistic and inclusive approach that addresses both production and post-harvest challenges faced by smallholder rice farmers.

Recommendations

From the findings of this research, this study hereby recommends the following:

1. Strengthen farmers' access to financial support (credit, fertilizer, and running capital) and ensure timely disbursement to enable them scale up production.
2. Improve irrigation facilities by providing water pumping machines and other infrastructure to reduce dependence on rain-fed farming.
3. Enhance market linkages with reputable companies to ensure stable demand, better prices, and sustainability of rice farming under the ABP.

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