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AGRICULTURAL PROGRAMME AND NATIONAL DEVELOPMENT IN NIGERIA: ASSESSING THE IMPACT OF THE ANCHOR BORROWERS PROGRAMME

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ABSTRACT

The Anchor Borrower Programme (ABP) was introduced in 2015 by the Federal Government of Nigeria to provide loans for farmers, create jobs, increase agricultural productivity, and create employment to ensure national development. The study employed ordinary least squares regression analysis to examine the program's impact on national development. The explanatory variables considered include employment in agriculture, food export bill, and food import bill,

while the dependent variable is gross domestic product (GDP). The findings revealed that the Food Import Bill, which was 0.2694 (27%) before the program, reduced to 0.0102 (1.02) after the program. Also, the country's food export bill, which was 0.2884 (28%) before the program, was reduced to (1.7). In contrast, employment in agriculture, which was -0.0534 (-5.3) before the program, further deteriorated to -0.8200 (-82%) after the anchor borrowers' program. This implies that the anchor borrow program failed to meet the desired expectations. Other findings of the study identified late disbursement of loans to non-farmers, disbursement of funds during off-farming seasons, ineffective loan recovery mechanisms, diversion of loans for non-agricultural purposes, insecurity challenges, and climatic conditions as some of the factors that militate against the efficacy of the program. The paper, therefore, recommends the inclusion of community leaders in identifying agricultural practitioners for loan disbursement and recovery, prompt disbursement of funds, the supply of farm equipment and seedlings rather than cash, and the inclusion of insurance coverage to mitigate the effects of other risks associated with insecurity and climatic trajectories.

Keywords: Agricultural Programme, Anchor Borrowers Programme, Employment in Agriculture, Food Import Bill, Food Export Bill, Gross Domestic Product.

INTRODUCTION

The agriculture sector has been described as the mainstay of the most developed and developing nations in the world. Some of the prominent developed countries in the world, such as China, the United States of America, Russia, France, Japan, Germany, and Turkey, are listed among the top ten agricultural-producing countries in the world (United Nations Human Development Report, 2020). Bearing this in mind, policymakers in third-world nations and other emerging economies have considered the agricultural sector as one of the fundamental sectors instrumental to the accomplishment of their developmental blueprint (Mojeed, 2021, World Bank, 2021 & Khana & Praveen, 2014). In light of this, several administrations that Nigeria has witnessed from independence till dates have introduced several policies and institutional frameworks designed to facilitate agricultural development in the country. National Accelerated

Food Production Programme (NAFPP) 1972-1973, Agricultural Development Projects (ADP) 1974, Operation Feed the Nation (OFN) 1976-1980, Green Revolution Programme (GRP) 1981-1983, Go Back to Land Programme 1983-1985, National Fadama Development Projects 1999, Growth Enhancement Support (GES), Agricultural Transformation Agenda Policy (ATAP), 2013, Agricultural Promotion Policy (APP), Agricultural Implements and Mechanization Services (AIMS) (Okafor, 2017).

Despite these policies and programs, the Nigerian agricultural sector has experienced retarded agricultural development and severe retrogression, most especially in its Fourth Republic. As rightly observed by Mojeed (2021), the agricultural sector's contribution to the Gross Domestic Product (GDP) has gradually reduced from an average of 27.5 percent under the Obasanjo Administration, 25.6 percent under the Yaradua Administration, 21.75 percent under Jonathan, and 21.90 percent under the current Buhari Administration, who was Nigeria's President between 1999 and 2003; 2003 and 2010; 2010 and 2015; 2015 and 2023, respectively. As of 2019, it was also recorded that the agriculture sector contributed 34.9 to the total employment rate, while the country's agricultural exports to total exports between 2016 and 2018 were below 2 percent (Thomas, 2019). This is relatively low compared to 1960, when the sector contributed 85 percent of Nigeria's foreign exchange earnings, 90 percent of employment generation, and 80 percent of gross domestic product in 1960 (Central Bank of Nigeria, 2015). Several factors identified low-level mechanization and inadequate credit facilities for cooperative farmers as one of the challenges militating against effective agricultural production in Nigeria (Anigbogu et al., 2015; Okojie, 2020; Takeshima & Lawal, 2018). Similarly, a different study revealed that 70 percent of Nigerians mainly engage in the agriculture sector at the subsistence level (International Fund for Agricultural Development, n.d.; Nation's Encyclopedia, 2010; Varella, 2021). To this effect, the Federal Government of Nigeria, to increase agricultural output, introduced the Anchor Borrowers Programme (ABP). The program was launched by the Central Government of Nigeria (CBN) on November 17, 2015, to provide loans to small-holder farmers, create jobs, and reduce food import bills (Central Bank of Nigeria 2015).

However, the classical, structuralist, and sustainable development perspectives have always been the centerpiece and conceptual

framework that shapes most discourse associated with the relationship between agricultural sectoral growth and national development (Wagh et al., 2024; Shenggen, 2021; Yusuf, 2014; Nattrass & Varma, 2014; Johnston & Mellon as cited in Meijerink & Roza. 2007; Rao, 1986). For instance, the classical economic school held that the agricultural sector is the fundamental pillar of any economy because it possesses components that may enhance national development. In contrast, the structural school emphasized institutional capacity and structural reforms within the framework of the national economy, arguing that agricultural growth alone cannot result in national development. In other words, the sustainable perspective alluded to the agricultural sector's failure to promote national development due to its failure to incorporate ecological principles and social equity into agricultural operations (Wagh et al., 2024).

Thus, even though past studies have investigated the impact of anchor borrowers program and another related government program on economic growth, food security, poverty reduction, the degree of profitability between ABP beneficiaries and beneficiaries farmers, and degree of stakeholders involvement, however few studies have examined the validity of the classical, structuralist, and sustainable perspective in elucidating the relationship between the agricultural sector and national development, with a particular focus on the Anchor Borrowers Program (Adamu & Kalgo, 2019; Agboola et al., 2021; Alweendo, 2017; Balogun et al., 2021; Belewu, Ajao, & Babatunde, 2023; Emmanuel, 2019; Mohammed, 2020; Onoja et al., 2024; Shaibu, 2023; Sokunbi, Olayinka, Aworinde, Taiwo & Musa, 2024; Yusuf & Tenong, 2019). This study explores the competing perspectives on the relationship between agricultural programs and national development to address these gaps. It also provides evidence for the validity of these theories, using the state of the Nigerian economy before and after the introduction of the Anchor Borrowers Programs (2011-2020) as the focus of the study.

CONCEPTUALIZING THE NEXUS BETWEEN THE AGRICULTURAL SECTOR AND NATIONAL DEVELOPMENT

The term "development" remains among the most contentious and debatable terms subject to divergent perspectives. This is because it is man-oriented, phenomenal, dynamic, inconstant, dimensional,

conjectural, and contextual in nature (Jair & Rogerio, 2008; Smith & Thelen, 2003). Given this, no consensual semantics captures the meaning of development in its entirety. Instead, it could be considered a generic term frequently used to describe changes or improvements associated with nature, time, belief, and process in any environment. Contextually, the term "development" varies from biological to human, economic, political, and socio-cultural development, among others. Thus, the usage of each of the forms of development revolves around the subject of discourse. Nevertheless, national development encompasses the dimensions above development and all facets of a nation.

Simply put, it denotes the capacity of the country to improve the standard of living of its citizens and inhabitants (Lawal & Oluwatoyin, 2011; Scribd, 2014) To ascertain the progression rate of any country, several factors such as the Human Capital Index, Gross Domestic Product (GDP), Gross National Product (GNP), per capita income, technological advancement, industrialization rate, agricultural growth, political stability, inflation level, employment rate, among others (Hitesh, 2020; Ikande, 2017). However, it could be deduced from the preceding that most of the criteria for measuring national development, such as GNP, GDP, and per capita income, are economic indicators. In contrast, the non-economic indicators, such as human security, social security, technological advancement, and political stability, are unrealistic without a viable national economy. The national economy in this context encompasses resources (natural, material, and human), a set of productive or unproductive activities carried out within a country's boundaries, measurable trans-border trade relations, and services (Boyle, 2021; Michaescu et al., 2009).

Furthermore, Dima, as cited in Michaescu (2009), maintained that the national economic system is structured both at a vertical and horizontal level. The vertical levels are classified hierarchically, including micro-economic, mezo-economic, macro-economic, and mondo-economic levels. On the other hand, the horizontal level of the economy is classified based on sectors. The micro-economy is built around the decisions and activities of individuals, households, and firms; the mezzo-economy intermediate between the micro- and macro-economies, thereby focusing on the economic decisions of regional or subnational governments, businesses and industries, labor unions, educational institutions, financial institutions, and

non-governmental organizations at this level of government, among others (Chand, Tiwari, & Phuyal, 2017; Lambooy, 1990). At a broader level, macroeconomics, as espoused by Nattrass and Varma (2014), extends to the performance, structure, behavior, and decision-making of a national, regional, and global level. It is necessary to consider important aspects of the economy, including output/GDP (gross domestic product) and national income, unemployment (including unemployment rates), price indices and inflation, consumption, saving, investment, energy, international trade, and international finance, in order to determine the viability of the economy at the level (O'Sullivan & Sheffrin, 2003). Despite the differences in the characteristics of this economy and the dynamics involved in its operation, it is crucial to remember that they are interdependent. Accordingly, agricultural practices also impact and mold governmental and non-governmental organizations' choices, actions, performance, organization, conduct, and decision-making within the jurisdictional domains.

Beyond the normative semantic analogy, it can be inferred from several evaluated research that the discourse on the impact of the agricultural sector on national development hinges on the viewpoints of structuralist, classical, and sustainable development perspectives. The classical perspectives in this context are associated with the ideas of Adam Smith, Thomas Malthus, and David Richard, among others (Harris, 2007). Michael and Stephen (as cited in Yusuf, 2014) argued that the classical themes in development economics had been used to characterize the role of agriculture in economic growth. This is because agriculture is frequently the primary source of resources that might be obtained for productive activities and emerging opportunities. Based on this premise, it is thought that agricultural production has the potential to: increase personal income, supply savings for industry investment, provide labor for an urbanized industrial workforce, aid in food security, expand markets for industrial output, generate export earnings to pay for imported capital goods, and produce primary materials for agro-processing industries (Nattrass & Varma, 2014; Johnston & Mellon as cited in Meijerink & Roza. 2007). Accentuating this position, the World Bank (2021) revealed that the agricultural sector is two to four times more successful in raising incomes among the poorest. As a result of this, the sector has the potential to reduce poverty, raise incomes, boost shared prosperity, improve food security for 80 percent of the world's poor population, who live in rural regions, and feed an estimated 9.7 billion people by 2050. Thus, the sector's

potential to reduce poverty, increase incomes, boost shared prosperity, and improve food security will enhance national development.

According to the structural school, national development cannot be achieved solely through agricultural growth and instead depends on institutional capacity and structural reforms within the context of the national economy. Rao (1986) opined that the neo-Marxian and structuralist analyses of agrarian development showed that conventional agriculture is neither efficient nor stagnant. It emphasizes the following: the state's role in primitive accumulation is more economic than explicitly coercive/political; forms of surplus appropriation do not always follow the rules of efficiency; the social relations of production may inhibit accumulation and determine the forms of technological change; the allocation of resources cannot be divorced from wealth distribution or production organization; and political and macroeconomic constraints preclude a straightforward "get the prices right" view of the inter-sectoral terms of trade. Similarly, structuralist economists attempt to pinpoint certain rigidities, delays, and other features of developing nations' structures to evaluate how successfully economies adapt and respond to development initiatives (Dutt & Ros, 2003).

The sustainable perspective leans toward agroecology, which emphasizes incorporating ecological principles into farming systems to promote sustainability, resilience, and biodiversity conservation. This represents a paradigm shift in agricultural practices and helps address urgent global issues like climate change, environmental degradation, and food security, which has overtly restrained the impact of the agricultural sector on national development (Wagh et al., 2024). Considering this, the sustainable perspective school of thought suggested that the agricultural sector's inability to advance national development was caused by its failure to integrate social justice and ecological principles into agricultural operations (Pretty, 2008). In addition, Pretty (2008) noted the necessity of incorporating ecological and biological techniques into food production, reducing the use of non-renewable resources that endanger the environment or the health of farmers and consumers, utilizing farmers' knowledge and skills to replace expensive external inputs, and utilizing people's collective abilities to collaborate in order to address common agricultural and natural resource issues, such as pest, watershed, irrigation, forest, and credit management. He believes that agricultural systems' natural,

social, human, physical, and financial capital will be built using these ideas.

Integrating the viewpoints of these three perspectives, Otsuka and Fan (2021) contended that agriculture can and must contribute to a greater range of development outcomes than ever before, including lowering poverty, guaranteeing adequate nutrition, building robust food value chains, enhancing environmental sustainability, and advancing gender equity and equality. This is because of the changing global landscape as well as new and improved data, technologies, and understanding. This position indicates that none of the perspectives possess or fall short of the required substance in describing the nexus between the agricultural sector and national development. Instead, they all play a complementary role that is also contextual in nature. This implies that while two or more indices identified by each perspective enhance national development in an economic system, other indices across each may work against national development in other climes. Therefore, tenability revolves around the dynamics of an economic system, the nature of leadership, the disposition of major stakeholders involved, weather and climatic conditions, and other external factors.

NATURE AND CHALLENGES ASSOCIATED WITH NIGERIA'S AGRICULTURAL SECTOR

Nigeria's agricultural production encapsulates crop farming, livestock, fishing, and forestry. Crop production remains the most significant industry, accounting for 87.6 percent of total output. At the same time, livestock, fishing, and forestry come in second with 8.1 percent, 3.2 percent, and 1.1 percent, respectively (Oyaniran, 2020). Moreover, the country possesses 7.08 million hectares of agricultural land upon which its principal crops, such as maize, cassava, guinea corn, millet, yam, and beans, are planted (Food and Agriculture Organisation of the United Nations, 2021). According to estimates from 2018, agriculture occupies 78 percent of Nigerian land, while arable land, which is temporarily utilized for crops, pastures, mowing, and other activities, makes up 37 percent of the agricultural land in the country (Varella, 2021b). Considering this, agriculture has been Nigeria's largest sector, providing an average of 20 percent of the nation's GDP in years (2013–2020). It employs more than 36 percent of the country's labor force, making it its largest employer. About 70 percent

of Nigerian families are engaged in crop farming activities, while 41 percent possess or rear livestock (Oyaniran, 2020; The World Bank, 2021; Trading Economics, 2022).

Despite the contributions to the national economy, the country's agricultural sector is still largely characterized by subsistence farming and underutilizing the arable lands that could have been used for agricultural production. According to the Food and Agriculture Organisation of the United Nations (2018), small family farms account for approximately 88 percent of Nigerian farmers, who rely on a variety of crops, animals, and seafood to survive rather than 72 percent of Nigeria's smallholders live in poverty on less than USD 1.9 a day. This could be related to common challenges peculiar to the sector. The survey was conducted by NOI Polls (2018), which assigned numerical value to certain challenges identified by agricultural practitioners, their families, friends, and different individuals familiar with agricultural practices in Nigeria. The research found that a large majority (61%) of agricultural practitioners listed the shortage of fertilizers as one of the key issues disturbing their farming activities, followed by the lack of agricultural loans, mentioned by 35 percent of farmers, the expense of labor (21%), and lack of access to mechanisms (15%), among others. This is also in consonance with similar positions of different scholars which also emphasized the absence of mechanized farming and adequate credit facilities for cooperative farmers as one of the challenges militating against effective agricultural production in Nigeria (Anigbogu et al., 2015; Okojie, 2020; Takeshima et al., 2013).

Also, the manifestation of underutilization of arable land available in the country is a clear indication that the nature of agricultural practices in Nigeria dangles between being a basic subsistence farmer and being a self-sufficient subsistence agricultural nation. This implies that the country is neither here, in terms of being a nation sufficient to feed its citizens to satisfaction with what they plant, nor there, adequately producing what could be sold to its citizens or other nations of the world. Between 2018 and 2020, 21.4 percent of Nigerians suffered from severe hunger (Varella, 2021b). Furthermore, other challenges related to agricultural production in Nigeria include drought, crop failure, global warming, climate change, water pollution, rising migration from rural and urban areas, and rising incomes from oil resources, all contributing to stunting agricultural development in

Nigeria. It is worthwhile noting that issues like climate change and migration, among other challenges above, revolve around human activities and geographical and environmental factors and, therefore, could be solved with feasible environmental policies. On the other hand, agricultural policies address issues such as fertilizer shortages, a lack of agricultural loans, labor costs, and a lack of access to mechanisms, among others. Thus, proffering a lasting solution to them rests upon policymakers' shoulders to develop a pragmatic policy Vis-à-vis ensuring between policymakers and agricultural practitioners in the country.

AN OVERVIEW OF THE ANCHOR BORROWERS PROGRAMME (APB)

The Anchor Borrowers Programme (ABP) was one of the key agricultural initiatives introduced by the Muhammadu Buhari Administration. The Federal Government launched it through the Central Bank of Nigeria on November 17, 2015. According to the Central Bank of Nigeria (2015), the program's main goal is to establish business ties between small-scale farmers and processors to increase agricultural output and keep food prices stable. Other specific objectives are to:

i. Increase banks' financing to improve agricultural productivity by creating an ecosystem that drives value financing.
ii. Reduce the nation's food import bill through import substitution and enhance domestic value addition.
iii. Create a new generation of farmers through innovative financing to support smart agriculture and
iv. Deepen financial inclusion and grow smallholder farmers from subsistence to commercial farming.

Considering the objectives above, the targeted beneficiaries comprise small-scale and medium-to large-scale farmers across the country who produce agricultural commodities, including cereal, cotton, root and tubers, sugar cane, oil palm, cocoa, rubber, soybean, sesame seed, cowpea, tomato, livestock and fish, and other commodities decided upon by the bank from time to time.

Table 1: Impact of Anchor Borrowers Programme on National Development in Nigeria (2016-2020)

Years	2011	2012	2013	2014	2015	Av.	2016	2017	2018	2019	2020	Av.
GDP (%)	23.89	22.23	21.86	19.99	20.63	**21.72**	20.98	20.85	21.2	21.91	24.14	**21.82**
Employment in Agriculture	40.8	39.4	38.27	37.5	36.9	**38.57**	36.5	36.0	35.5	34.97	34.6	**35.51**
Food Export Bill (%)	1.8	5.4	5.1	1.9	2.9	**3.42**	2.0	1.8	2.0	1.8	3.0	**2.12**
Food Import Bill (%)	30.6	22.7	17.8	17.0	16.9	**21**	12.9	16.3	10.9	9.9	14.6	**12.92**

Source: Author's Compilation: O'Neil (2021); Varrella (2021); Konema (2020); Konema (2020b)

ABP was introduced in 2015, and the program's core objectives were to: increase agricultural output, reduce the nation's food import bill, enhance additional value, and produce a new generation of farmers, among others. These objectives revolve around some of the indices of national development, such as Gross Domestic Product, employment rate, food export bill, food import bill, and inflation rate, among others. Based on this premise, this section employed the indices as a yardstick for measuring the efficacy of the ABP in Nigeria's national development.

This statistical data represents the state of the agriculture sector before and after the introduction of the ABP (2011 to 2015 and 2015-2020, respectively). Therefore, the table above contains the annual contribution of the agricultural sector to the country's Gross Domestic Product, employment creation, food export bill, food import bill, and inflation rate. At the same time, the average summation of each of these indices was also stated within the spate of 5 years before and after the introduction of this programme. Considering this, it could be deduced from the table that, between 2015 and 2020, there has been a fluctuating trends in the agricultural sector's contribution to the country's GDP. Nevertheless, the average contribution of the sector to the country's GDP between 2011 and 2015 was 21.72 percent, as against 21.82 percent, recorded between 2016 and 2020, amounting to an average contribution of 0.10 percent after the introduction of ABP. This implies that the programme has little or no impact on the country's Gross Domestic Product.

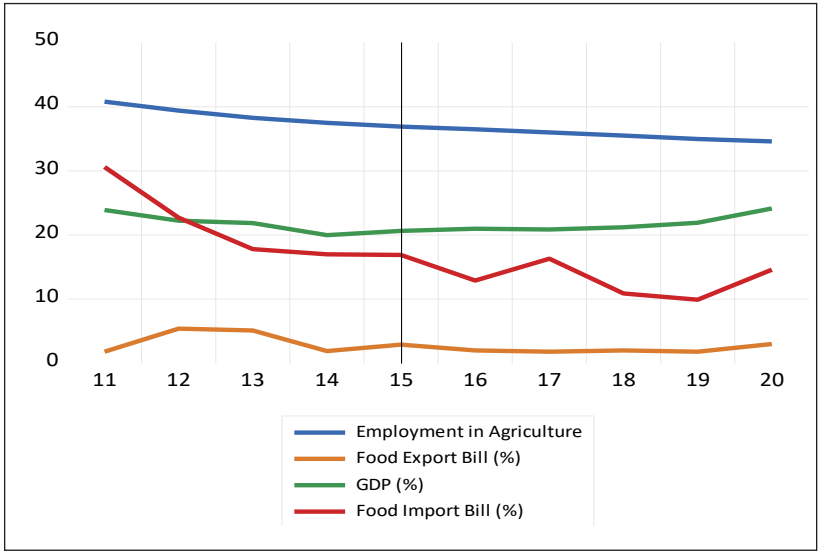
Put differently, item two of the table reveals that employment in agriculture had significantly reduced from 36.9 percent in 2015, when the program was introduced, to 34.6 percent in 2020. In the same vein, the average rate of employment created by the agricultural sector between 2011 and 2015 was 38.57 percent, as against 35.51 percent, recorded between 2016 and 2020, amounting to an average contribution of 3.06 percent reduction in the employment rate in agriculture. This indicates that the ABP also failed to meet one of its core objectives: to produce a new generation of farmers.

Also, data on the third item revealed that the average contribution of the sector to the country's GDP between 2011 and 2015 was 3.42 percent, as against 2.12 percent, which was recorded between 2016 and 2020, amounting to an average reduction of 1.3 percent in the country's

export bill, five years after the introduction of ABP. Concurrently, the fourth item revealed a reduction in the country's food import bill. The average food import bill of the country between 2011 and 2015 was 21 percent, as against 12.92 percent, recorded between 2016 and 2020, amounting to an average of 8.08 percent reduction in the country's food import bill five years after the introduction of ABP. Although the country's food import bill was reduced, the exportation of food items, which could have augmented the country's national revenue, was suspended.

Figure 1

Trends in Employment in Agriculture, Food Export Bill (%), GDP (%), and Food Import Bill (%) in Nigeria between and after the Introduction of the Anchor Borrowers Programme



Source: Author's Compilation based on E-views 12 outputs

Note: EMPL, FEB, FIB, and GDP represent Employment in Agriculture (%), Food Export Bill (%), Food Import Bill (%), and Gross Domestic Product (%).

Figure 1 presents the patterns of employment in agriculture, food export bill (%), food import bill (%), and GDP (%) from 2011 to 2020, covering the period before and after the introduction of the ABP. The graph reveals that, before the programme's introduction, there was evidence that employment in the agricultural sector and food

import bills trended downward. In contrast, a noticeable pattern of an increase in food export bills and GDP occurred between 2014 and 2015. Following the introduction of the program, there is evidence of a continuous decline in employment in agriculture spilling over from the pre-anchor borrower's program. Meanwhile, the food import bill also declined on average between 2016 and 2022, with a significant reduction, particularly in 2016 and 2019. The former period coincides with the era of economic recession witnessed in Nigeria following the oil price crisis of 2014–2015. Nevertheless, the food export bill trended downward from 2016 until 2019 and increased thereafter, while the gross domestic product continuously increased.

METHODOLOGY

The study adopted a descriptive research design to evaluate the effect of the Anchor Borrowers Programme on the Agricultural Programme and National Development in Nigeria, employing techniques such as descriptive statistics, correlation analysis, and Ordinary Least Square.

Data Sources

The data for the study was collected from the work of O'Neil (2021), Varrella (2021), Konema (2020), Konema (2020b), and World Bank Development Indicators. The pertinent variables encompass the gross domestic product (GDP), employment in Agriculture, food export bill, food import bill

Model Specification

The following model was adopted for the purpose of the study

$GDP = f(FEB, FIB, EA)$

$GDP = \beta_0 + \beta_1 FEB + \beta_2 FIB + \beta_3 EA + \mu$

Where.

GDP = Gross Domestic Product

FEB= Food export bill

FIB = Food import bill

EA = Employment in agriculture

RESULTS

Preliminary Test Results

Descriptive Statistics

Taking a step further by examining the summary statistics of the variables concerned in this study, the results presented in Table 2 reveal that the mean value of employment in agriculture, food exports, and import bills before the introduction of the ABP are higher than the recorded values after the programme's introduction. This indicates that there was better national development in Nigeria before the introduction of the Anchor Borrowers Programme than after its development. By comparing the standard deviation values of the variables over the two regimes, there is evidence of high variability in the variables during the pre-ABP compared to the period after the programme, implying that there are persistent changes in the level of employment in agriculture, food exports, and import bills during the pre-introduction of the programme compared to the stagnant variation in the post- ABP.

However, the gross domestic product recorded in the post-ABP is slightly higher than the value before the program. This signals evidence of improved national development in the post-ABP era compared to the period before it. Nevertheless, the improvement cannot be attributed to the success or significant impact of the programme because macroeconomic factors that contributed to national development are enormous and not limited to the effect of ABP. Therefore, it is worth noting that the ABP has no significant impact on the Nigerian economy as the major indices from the concerned sector (agriculture) are worse off following the programme's introduction.

Table 2

Result of Summary Statistics

Before Anchor Borrowers Programme (2011-2015)				
	EMPL	**FEB**	**FIB**	**GDP**
Mean	38.57	3.42	21.00	21.72
Maximum	40.80	5.40	30.60	23.89
Minimum	36.90	1.80	16.90	19.99
Standard Deviation	1.56	1.73	5.88	1.51
After Anchor Borrowers Programme (2016-2020)				
	EMPL	**FEB**	**FIB**	**GDP**
Mean	35.51	2.12	12.92	21.82
Maximum	36.50	3.00	16.30	24.14
Minimum	34.60	1.80	9.90	20.85
Standard Deviation	0.76	0.50	2.62	1.36

Source: Author's Compilation based on E-views 12 outputs

Note: EMPL, FEB, FIB, and GDP represent Employment in Agriculture (%), Food Export Bill (%), Food Import Bill (%), and Gross Domestic Product (%).

Correlation Coefficient Matrix

Table 3 shows the correlation between employment in agriculture, food export and import bills, and GDP. The results show a significant positive correlation between employment in agriculture and GDP and between employment in agriculture and the food import bill in the pre-ABP, with a correlation value of 0.9544 and 0.9435, respectively. Conversely, a significant negative correlation exists between employment in agriculture and GDP, with a correlation value of -0.8304. This is an indication that for every 1-unit increment in GDP, there is a significant positive increase in employment in agriculture to the tune of the 0.95-unit pre-ABP era, while employment in agriculture is significantly adversely affected by GDP after the Anchor Borrowers Programme, as 1 unit increase in the latter leads to a 0.83 unit decrease in the former.

Furthermore, the food import bill and GDP were positively correlated in the pre-ABP era. Still, only food exports and GDP are positively related in the post-Anchor Borrowers Programme era. This implies that GDP significantly increased the food import bill in the pre-Anchor Borrowers Programme era and significantly contributed to

the food export bill in the post-ABP era. From the foregoing, it could be deduced that the ABP has failed to meet the expected goals. Thus, the next section will examine factors contributing to the programme's inefficacy.

Table 3

Result of Correlation Coefficient Matrix

Before Anchor Borrowers Programme (2011-2015)				
Correlation	**EMPL**	**FEB**	**FIB**	**GDP**
EMPL	1.0000			
FEB	0.0020	1.0000		
FIB	0.9544**	-0.2302	1.0000	
GDP	0.9435**	0.0885	0.9172**	1.0000
After Anchor Borrowers Programme (2016-2020)				
Correlation	**EMPL**	**FEB**	**FIB**	**GDP**
EMPL	1.0000			
FEB	-0.5876	1.0000		
FIB	0.2194	0.3057	1.0000	
GDP	-0.8304*	0.9135**	0.1133	1.0000

Source: Author's Compilation based on E-views 12 outputs

Note: EMPL, FEB, FIB, and GDP represent Employment in Agriculture (%), Food Export Bill (%), Food Import Bill (%), and Gross Domestic Product (%), respectively. ** and * imply statistical significance at 5% and 10%, respectively.

Estimation Technique

Ordinary Least Square

The Ordinary Least Square Regression result in Table 4 revealed that the Food Import Bill, which was 0.2694 (27%) to 0.0102 (1.02), after the program. Also, the country's food export bill, which was 0.2884 (28%) before the program, was reduced to (1.7), while employment in agriculture, which was -0.0534 (-5.3) before the program, further deteriorated to -0.8200 (-82%) after the anchor borrowers program. This implies that the anchor borrows program was insignificant to the degree of enhancing the capacity of the agricultural sector to improve the country's gross domestic product, which is also an index for determining national development.

Table 4

Result of Ordinary Least Square

Variable	Coefficient	Std Error	t-Stat	Prob.
After Anchor Borrowers Programme (2016-2020)				
FIB	0.0102	0.1170		0.0870
0.9447				
FEB	1.7282	0.7365		2.3466
0.2565				
EA	-0.8200	0.4717		-1.7383
0.3323				
C	47.14308		17.1312	2.7519
0.2219				

Source: Author's Compilation based on E-views 12 outputs

DISCUSSION

The statistical data collected, and empirical instances associated with the formulation and implementation of the anchor program revealed that agricultural programs and the sector as a whole, as envisaged by the classical model, have the potential to enhance national development. Nevertheless, it revealed that the realization of these goals is not feasible without taking cognizance of the assumption of the structuralist and sustainable perspective. For instance, the objectives of ABP were to create economic linkages between smallholder farmers and processors, which are intended to increase agricultural output and ensure food price stability, aligning with the classical perspective. Certain conditions that restrain the efficacy of the program, such as delay in disbursement of funds, defaulting of loans by beneficiaries, diversion of loans for agricultural purposes, and insecurity challenges, among other factors, substantiate the position of the structuralist perspectives that emphasize the viability of institutional structures and other emerging trends in enhancing the impact of the agricultural sector on national development (Dutt & Ros, 2003; Rao, 1986).

For instance, some of the beneficiaries of the program complained about late disbursements of the loans due to rigid administrative procedures, a lack of institutional capacity for swift documentation

and implementation, and distrust between farmers and financial institutions, among others. This, to a greater extent, prevented the farmers from accessing it when it was mostly needed. The majority of the targeted beneficiaries in Benue, Nasarawa, Plateau, Niger, Kwara, Kogi, and Kwara, which are predominantly farmers, complain that loans were released to them after the farming period, and this contributed to the inability of the farmers to repay the loans as expected (Olaitan, 2020; Onochie et al., 2021). Evidently, the Governor of the Central Bank of Nigeria (Godwin Emefiele) maintained that most of the farmers who benefitted from the program through the loan facilitated by the CBN, as of March 2021, were still owing the bank the sum of four hundred and sixty-three billion naira (# 463 billion) (Orijude & Abraham, 2021). This is a decision that also prompted the apex towards the end of December 2021 to issue threatening arrests to farmers who fail to pay back the loan received (Ubah, 2021). This, however, leads to discontinuity, thereby preventing other farmers from benefiting from the scheme, which has a long-term effect on the efficacy of the agricultural sector towards contributing to national development as envisaged by the program.

Another factor substantiating the structuralist's position is the revelation that some of the program's beneficiaries were neither farmers nor livestock producers. This results in the diversion of the fund for non-agricultural purposes. For instance, the International Centre for Investigative Journalism (June 6, 2018) revealed that most of the farmers who were given loans mistakenly believed they were their remittances or share of the national resources. In the same vein, Segun Atorifan, Deputy National President, succinctly submits that some local government chairmen in the north told them they should not bother paying the money because there was nothing to show for the money they collected when they visited their farms (International Centre for Investigative Journalism, 2018). Also, variants of security challenges, such as the pastoralist-herder crisis, terrorism, and banditry, have resulted in the displacement of farmers from their places of abode, incessant destruction, and attacks on farming communities by herders and bandits. Therefore, it prevents farmers from engaging in agricultural practices and damages potential harvests, consequently hindering agricultural productivity as projected by ABP. In consonance with this position, agricultural practitioner groups like the Maize Growers, Processors, and Marketers Association of Nigeria and the All-Farmers Association of Nigeria (AFAN) beseeched the Central

Bank of Nigeria to seek an extension for payment of intervention funds under the ABP, claiming the level of insecurity ravaging the country has forced farmers to abandon their farms. At the same time, some have lost huge profits running into billions due to farm disruption by cattle rearers and bandits (Ekugbe, 2021).

Furthermore, the findings of the study also corroborate the perspectives of the sustainable school of thought, which argues that integrating ecological and biological will utilises people's collective abilities to collaborate to address national trajectories (Pretty, 2008; Wagh et al.,2024). It was revealed that climatic changes, weather conditions, and biological conditions also restrain the efficacy of the Anchor Borrowers Program. The program's reliance on rain-fed agriculture made farmers vulnerable to extreme climatic occurrences such as flooding, excessive heat, and drought, resulting in low crop yields (Agbola & Fayiga, 2016). Biologically, the advent of the COVID pandemic into 2020 restrains all agricultural and commercial activities. This implies that an average decline in the food import and export bill, as indicated in the study's findings, reflects that numerous macroeconomic factors other than the program impact the impact of the agricultural sector.

CONCLUSION AND RECOMMENDATIONS

The paper concludes that ABP has the potential to increase agricultural output, reduce the nation's food import bill, enhance domestic value addition, and produce a new generation of farmers, among other innovations that can enhance national development. Contrarily, the implementation program was characterized by institutional deficiencies, ecological trajectories, and other external factors that manifested in the form of late disbursement of the loan to the recipient, the refusal of the recipient to repay the loan, difficulty in loan recovery, diversion of the loan for non-agricultural purposes, bankruptcy, low budgetary allocation, drought, flooding, and other factors that militate against the realization of the objective of the program. In view of this, the following recommendation was offered to improve the implementation of the program and other related programs:

i. Community leaders should be included in identifying genuine agricultural practitioners for the disbursement and recovery of loans or agricultural palliatives.

ii. Provision of agricultural equipment, fertilizer, and seedlings instead of disbursing cash, to prevent the diverse use of agricultural palliatives for non-agricultural purposes; and
iii. Insurance coverage should be included as a benefit of the programme to bear the risk incurred by the farmers due to displacement and crop damage caused by herders, terrorists, bandits, and natural and national disasters.
iv. Adequate farmer training should be included in the Anchor Borrowers Programme to provide them with the knowledge and preventive measures needed to mitigate the effects of climate change and other relevant scientific innovations that will boost agricultural production.

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