



# **Agricultural Financial Intervention and Livelihood of Farmers: A Study of Anchor Borrowers Programme in Anambra State, Nigeria**

**Onuoha Onyekachi Chibueze<sup>1\*</sup> and Ejikeme Obinna David<sup>1</sup>**

<sup>1</sup>Department of Cooperative Economics and Management, Nnamdi Azikiwe University, Awka, Nigeria.

## **Authors' contributions**

*This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.*

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## **ABSTRACT**

This study examined the effects of Agricultural Financial Intervention on the livelihood of farmers narrowing on the Anchor Borrowers' Programme in Anambra State, Nigeria. The research design used was a survey design. A total of 154 respondents were selected using the yardstick of farmers who have ever accessed funds from the programme. A well-structured questionnaire and interview were utilized to generate data from the respondents and analyzed using both descriptive and inferential statistical tools. The findings revealed that the Anchor Borrowers' Programme had a positive and significant contribution to ease the burden of financing in agriculture among Farmers in Anambra State, Nigeria. ABP had positive and significant contributions to improve the agricultural value chain among farmers in Nigeria. ABP had negative and no significant contribution to boosting output among farmers, and ABP had a negative effect on improving profitability among farmers in Anambra State, Nigeria. Based on the findings of this study it was concluded that the Anchor Borrowers' Programme presently has not fully improved the livelihood of farmers cooperatives in Anambra State, Nigeria, however, it has prospects of contributing significantly towards improving the livelihood of members. This study, therefore, recommends that Agricultural expertise should be employed by the government to help in educating farmers on the best techniques to apply during agricultural activities to increase output. The ABP should also set up an active committee to assess

farmers' situation and obtain first-hand information before a loan is given, during courses of loan and at the point of harvest. This is aimed at discouraging farmers from providing false information and avoiding delays in repayment.

*Keywords: Anchor; borrowers; programme; livelihood; financial intervention.*

## 1. INTRODUCTION

Agriculture is a major source of livelihood for people in developing countries; however rural areas are large harbours of poverty. Many households move out of poverty through agricultural entrepreneurship; others through the rural labour market and the rural non-farm economy; and others by migrating to towns, cities, or other countries. Nigeria has a large expanse of agricultural land. This constitutes 77.7 per cent of Nigeria's total land area which is 910.8 thousand square kilometres in which 37.3 per cent is arable land, 7.4 per cent is under permanent crop and 9.0 per cent is under forest [1]. Therefore, substantial land is still available for agricultural activities. The Nigerian agricultural sector remains the mainstay of the economy contributing about one-quarter of the country's gross domestic product (GDP) and providing means of livelihood for the bulk of the population [2]. Agriculture contributes immensely to the economy of nations in many ways, in the provision of food, supply of adequate raw materials and provision of the market for the products of a growing industrial sector. Thus, the sector constitutes a major source of employment generation and foreign exchange earnings. Agricultural activities are now totally hinged on poor rural farmers whose efforts are mostly for subsistence purposes.

Agricultural financing is one of the prerequisites for farmers to increase the agricultural output in the process of agricultural development of a country [3]. Ensuring the demand for agricultural finance for small and marginal farmers means ensuring the food security of the country. Availability and access to adequate, timely and low-cost finance from institutional sources have great importance, especially to small and marginal farmers. Finance is an important instrument for improving the welfare of the poor directly through consumption smoothing that reduces their vulnerability to short-term income. Nzotta and Okereke [4] argued that finance affects economic growth positively and lack of it leads to stagnation or even decline in any economic system. Governments of nations recognize that finance is an essential tool for

increasing productivity and the general performance of a nation's economy. Agricultural financing serves to stimulate agricultural activities and provides supports for farmers and other stakeholders in the sector. As a means of livelihood, it sustains farmers' continuity in their production.

Livelihood means a set of economic activities involving self-employment and/or wage employment by using one's endowment to generate adequate resources for meeting the requirements of self and household. According to Arua [5], the promotion of livelihood should be concentrated on human resources and people of grass root levels and they should be mobilized to work together voluntarily to maximize the scarce resources at disposal.

They lack necessary modern equipment for large-scale farming, essentially, because they have no access to funding and cannot even augment working capital through credit facilities. Over time, it has been observed that the funding problem in the Agricultural sector in Nigeria is not necessarily a result of the non-availability of finance; rather, it is the reluctance of banks to grant unsecured loans, credit facilities without appropriate collateral securities. Usually, these collateral securities are beyond the reach of rural farmers and as a result, farmers are handicapped, being unable to acquire necessary working tools and raw materials. Consequently, there is an acute reduction in agricultural activities and productivity. On the farmers, they are not better off. Poverty is most visible among farmers despite their immense contribution to the economy. The focus of financing made available to them has largely been on providing them with means to work and not in any way inclined towards improving their standard of living.

Various financing policy initiatives have been instituted to improve the livelihood of small scale farmers in Nigeria and transform the agricultural sector [6]. However, the desired goals have not been achieved because of some of the peculiarities of the smallholder farmers. Prominent among these are their poor access to finance and lucrative markets to dispose of their

products, which have left them in a vicious cycle of poverty [6]. In order to address these problems of smallholder farmers in Nigeria, the Central Bank of Nigeria and the Federal Government launched the Anchor Borrowers' Programme (ABP) in 2015. The ABP concept is like the contract farmer concept which has been found to be effective in other developing countries like India [7]. The ABP creates a linkage between anchor companies involved in the processing and smallholder farmers (SHFs) in cooperatives of the required key agricultural commodities like rice, maize, wheat, cotton, cassava, sugarcane, oil palm, soybean, sesame seed, tomato, and fish. The programme thrust of the ABP is the provision of farm inputs in kind and cash (for farm labour) to smallholder farmers to increase/improve the production of commodities, stabilize inputs supply to agro-processors and address the country's negative balance of payments on food. At harvest, the SHF supplies his/her produce to the Agro-processor (Anchor) who pays the cash equivalent to the farmer's account. They also increase banks' financing to the agricultural sector, reduce agricultural commodity importation and conserve external reserve, increase capacity utilization of agricultural firms, create a new generation of farmers and employment, deepen the cashless policy and financial inclusion, reduce the level of poverty among smallholder farmers, and assist rural smallholder farmers to grow from subsistence to commercial production levels.

The Programme evolved from consultations with stakeholders comprising the Federal Ministry of Agriculture & Rural Development, State Governors, millers of agricultural produce, and smallholder farmers to boost agricultural production and non-oil exports in the face of unpredictable crude oil prices and their resultant effect on the revenue profile of Nigeria. Given that the programme is now over 6 years, it is imperative to evaluate its effect on the . It is hoped that by accepting farm inputs in kind and cash these farmers' cooperatives would significantly stabilize inputs supply to agro-processors and in doing so improve their standard of living and generally x-ray the role of Anchor Borrowers' programme in improving farmers' livelihood.

## 1.1 Objectives of the Study

The broad objective of this study is to examine the effect of the agricultural financial intervention

on the livelihood of farmers using the Anchor Borrowers' Programme as a case study. The specific objectives are to:

1. examine the extent to which Anchor Borrowers' Programme eases the burden of financing in agriculture among farmers cooperatives in Anambra State.
2. ascertain the degree to which Anchor Borrowers' Programme improves the agriculture value chain among farmers cooperatives in the study area.
3. evaluate the level to which Anchor Borrowers' Programme boosts output among farmers cooperatives in the study area.
4. analyse the extent to which Anchor Borrowers' Programme improves the profitability of farmers cooperatives in the study area.

## 1.2 Hypotheses

The following hypotheses stated in the null were formulated for the study:

### 1.2.1 Hypothesis One

**H<sub>0</sub>:** There is no significant relationship between the Anchor Borrowers' Programme and the ease of the burden of financing in agriculture among farmers cooperatives in Anambra State.

### 1.2.2 Hypothesis Two

**H<sub>0</sub>:** There is no significant relationship between the Anchor Borrowers' Programme and improved agriculture value chain among farmers' cooperatives in the study area.

### 1.2.3 Hypothesis Three

**H<sub>0</sub>:** There is no significant relationship between the Anchor Borrowers' Programme and boost in the output of farmers in the study area.

### 1.2.4 Hypothesis Four

**H<sub>0</sub>:** There is no significant relationship between the Anchor Borrowers' Programme and the improved profitability of farmers in the study area.

## 1.3 Review of Related Literature

### 1.3.1 Anchor borrowers' programme (ABP)

The Central Bank of Nigeria in line with its developmental function established the Anchor Borrowers' Programme (ABP). The Programme

which was launched by President Muhammadu Buhari (GCFR) on November 17, 2015, is intended to create a linkage between anchor companies involved in the processing and smallholder farmers (SHFs) of the required key agricultural commodities. The programme thrust of the ABP is the provision of farm inputs in kind and cash (for farm labour) to smallholder farmers to boost production of these commodities, stabilize inputs supply to agro-processors and address the country's negative balance of payments on food. At harvest, the SHF supplies his/her produce to the Agro-processor (Anchor) who pays the cash equivalent to the farmer's account. The Programme evolved from consultations with stakeholders comprising the Federal Ministry of Agriculture & Rural Development, State Governors, millers of agricultural produce, and smallholder farmers to boost agricultural production and non-oil exports in the face of unpredictable crude oil prices and their resultant effect on the revenue profile of Nigeria.

### **1.3.2 Objectives of the anchor borrowers' programme (ABP)**

The broad objective of the ABP is to create economic linkage between smallholder farmers and reputable large-scale processors with a view to increasing agricultural output and significantly improving the capacity utilization of processors. Other objectives include:

1. Increase banks' financing to the agricultural sector
2. Reduce agricultural commodity importation and conserve external reserves
3. Increase capacity utilization of agricultural firms
4. Create a new generation of farmers and employment
5. Deepen the cashless policy and financial inclusion
6. Reduce the level of poverty among smallholder farmers
7. Assist rural smallholder farmers to grow from subsistence to commercial production levels.

### **1.4 Targeted Beneficiaries**

The loan shall be targeted at smallholder farmers engaged in the production of identified commodities across the country. The farmers should be in groups/cooperative(s) of between 5 and 20 for ease of administration.

### **1.5 Theoretical Review**

This study is anchored on the Supply chain finance theory. Supply chain finance can be defined [8] as the use of financial instruments, practices and technologies for optimising the management of the working capital and liquidity tied up in supply chain processes for collaborating business partners. Supply chain finance is known as supplier finance or reverse factoring. It is a set of solutions that optimizes cash flow by allowing buyers to extend supplier payment terms. Increasing the time it takes to pay a supplier improves several financial metrics (e.g. days payable outstanding or DPO), and most importantly, frees up cash that would otherwise be trapped inside the supply chain. A buyer can use increased cash flow to invest in operational, competitive and innovation initiatives that will drive additional growth. They can also return cash to shareholders in the form of dividends or stock repurchases. Simultaneously, supply chain finance offers suppliers a way to mitigate the effect of payment term extensions and accelerate their own cash flow. Suppliers who participate in a program have the option to get paid early – typically as soon as an invoice has been approved by a buyer. The supplier can accelerate payment on some, all or none of their receivables, depending on their financial position and funding requirements. For those receivables that are paid early, the supplier will pay a small finance charge or discount. All of this occurs without negatively impacting either companies' balance sheet. Accounting treatment for supply chain finance, when done properly, does not count as additional debt for a buyer or supplier. Furthermore, since the buyer is the obligated party, financing is offered to the supplier at rates that are typically more favourable because they are based on the buyer's credit history and rating. For many suppliers, this access to a lower cost of funding is exceptionally important. Supply chain finance thus creates a win-win situation for both buyers and their suppliers. The buyer optimizes working capital because it has more time to pay suppliers. Meanwhile, suppliers can generate additional operating cash flow by getting paid early without affecting their balance sheets.

There are so many factors that inhibit especially farmers from accessing agricultural credit and financial services timely and at required amount namely age of the household, gender, size of landholding and the role of agent have significantly affected accesses to credit.

Moreover, the low bargaining power, bureaucratic and procedural formalities required, asset based lending and policies of financial institutions and corruption prevailing in the agencies, all worked against small farmers. The small size of holdings, the informal and oral nature of tenancy contracts, illiteracy, and low caste status were other inhibiting factors. The higher transaction costs with formal lending have led to an increase in the effective rate of interest.

Despite these mentioned above a uniquely inhibiting factor is that on the supply side, bankers often struggle to contain their risks and costs in financing agriculture which results in a large gap in adequate financing. In order to resolve this, the supply chain finance theory is applied in agriculture.

## 1.6 Empirical Review

Wang, Lan, & Chu [9] assessed Supply Chain Financing Model: Based on China's Agricultural Products Supply Chain. Difficulty in financing is a general problem faced by farmers and small and medium-sized agricultural enterprises for a long time because of the lack of guarantees in china. Supply Chain Finance (SCF) is generating much attention as a means of substituting for lower credit availability. For the purpose of promoting china's rural financing products and service innovation by using SCF, this article studies the agri-supply chain financing model and financing products. The result showed that agri-supply chain can extend credit to the upstream and downstream enterprise through order financing, accounts receivable financing, financing warehouse, accounts payable financing, prepaid accounts financing and inventory financing etc.

Tasie [10] evaluated the effect of International Fund for Agricultural Development (IFAD) credit supply on rural farmers in Rivers state. Data for the study were collected using a structured questionnaire administered to 90 farmer's beneficiaries using a multi-stage sampling technique. The regression result shows that the semi-log function gave the best fit with the highest value of the coefficient of multiple determinations (R<sup>2</sup>) of 0.8758 and seven explanatory variables were significant and there was a significant F-value. The significant variables are farm size, off-farm income, total household labour, educational level of farmers, gender, farm household size, and IFAD credit. The study also shows that IFAD credit impacted positively on the well-being of rural farmers. The

IFAD programme has contributed to the increase in farm output and income.

Christopher, Lemchi, Ugochukwu, Eze, Awulonu & Okon [11] examined the agricultural financing policies of the government of Nigeria and their effects on rural development. The study found that though the government has made serious efforts at making good agricultural policies through schemes, programmes and institutions, it has not been able to back them up with adequate budgetary allocation and financing coupled with corruption in the execution of the policies.

Elias, Ahmad, and Patil [3] tried to find those factors which are responsible to access agricultural credit from banks by the small and marginal farmers. The age, gender, level of education, family size, landholdings, irrigation facilities, income level, marital status and occupation are considered as determinants of access to agricultural credit. Out of these variables landholdings, educational status, irrigation facilities, income level and gender are found to be the significant factors in determining the agricultural credit access of the small and marginal farmers from the banks.

Obilor [12] evaluated the impact of commercial banks' credit to agricultural sector under the Agricultural Credit Guarantee Scheme Fund in Nigeria. Until the mid-seventies, agriculture was the primary foreign exchange earner for Nigeria. Now it has lost its prime position to the mineral sector. Of these factors, inadequate capital is considered as the single most important factor affecting the performance of the sector. It therefore empirically examined the impact of the Agricultural Credit Guarantee Scheme Fund, agricultural product prices, government fund allocation and commercial banks' credit to the agricultural sector on agricultural productivity. The result revealed that Agricultural Credit Guarantee Scheme Fund and Government fund allocation to agriculture produced a significant positive effect on agricultural productivity, while the other variables produced a significant negative effect.

## 2. METHODOLOGY

The research design used in this study was a survey research design. It was used to gather data from field visits to respondents in the field. The study was conducted in Anambra State. The population of the area was made up of 8,542 cooperative farmers who have had something to

do with the Anchor Borrower Programme. A total of 154 respondents were selected using the yardstick of farmers who have ever accessed funds from the programme. A well-structured questionnaire and interview were utilized to generate data from the respondents and analyzed using both descriptive and inferential statistical tools. The questionnaire items were designed to measure the research questions that guided the study. Its response options were based on a five-point Likert scale of Strongly Agree, Agree, Moderately agreed, Strongly disagree and Disagree. To ensure the validity of the data collection instrument, three experts in Measurement and Evaluation were requested to ensure both face and content validity of the instrument. The reliability of the instrument was tested using a test-re-test in which the instrument was issued to a sample different from the study area and reissued after two weeks. The two sets of data generated were subjected to a test using Pearson Product Moment Correlation and a coefficient of 0.84 was obtained which was considered high hence the data generated were reliable. Descriptive statistical analysis (mean and standard deviation) was used for the analysis of the research questions. Pearson Product Moment Correlation was used for the test of the hypothesis.

## 2.1 Presentation of Data

### 2.1.1 Anchor borrowers' programme (ABP) and easing the burden of financing agriculture among farmers

The results from Table 1 show that the Anchor Borrowers' Programme (ABP) ease the burden of financing of agriculture among farmers cooperatives with a mean ( $\bar{x}$ ) of 3.95, 3.83, 4.17, 3.25, and 3.20. The grand mean score was 3.68. This indicates that ABP reduces the stress of giving agricultural loan/finance among farmers in Anambra State by allowing farmers to obtain finance without collateral, lowering the rate of interest at which farmers finance were obtained, and making repayment of loans less stressful.

### 2.1.2 Test of hypothesis one

**H<sub>0</sub>:** There is no significant relationship between the Anchor Borrowers' Programme and easing of the burden of agricultural financing among farmers cooperatives in Anambra State.

The correlation table reveals that there is a strong positive relationship between the activities

of the Anchor Borrowers' Programme and the easing of the burden of agricultural financing with a correlation coefficient of 0.837 significant at 0.01. Therefore the null hypothesis was rejected and the alternate hypothesis was accepted which is that there is a significant relationship between the Anchor Borrowers' Programme and easing of the burden of agricultural financing among farmers cooperatives in Anambra State. This suggests that the ABP activities have helped to ease the burden of accessing agricultural finance.

### 2.1.3 Anchor borrowers' programme and agricultural value Chain among farmers Anambra State

Table 3 shows a grand mean is 2.27. The respondents had a mean score of 2.85 for managing inventory of raw materials ready for production, 1.14 for enhancing farmers' efforts to convert raw materials into a finished product, 1.52 for reducing complexities in logistics of transferring outbound to agro-processors, 3.27 for helping farmers facilitate the sale of the product and 2.27 for promoting activities that create better consumer experiences.

### 2.1.4 Test of hypothesis two

**H<sub>0</sub>:** There is no significant relationship between the Anchor Borrowers' Programme and improved agriculture value chain among farmers' cooperatives in the study area.

The correlation Table 4 shows that there is no significant relationship between the activities of the Anchor Borrowers' Programme and the improved agriculture value chain since the Sig. 0.072 is more than 0.05. Therefore the null hypothesis was accepted.

### 2.1.5 Anchor borrowers' programme boost output among farmers cooperatives in Anambra State, Nigeria

The results from Table 5 shows a grand mean of 3.60 which is quite high. All the indicators had a high acceptance level from the respondents.

### 2.1.6 Test of hypothesis three

**H<sub>0</sub>:** There is no significant relationship between the Anchor Borrowers' Programme and boost in output of farmers in the study area.

**Table 1. Distribution of respondents on anchor borrowers' Programme (ABP) easing the burden of financing of agriculture among farmers cooperatives**

S/N	Response	Mean	Standard Deviation	Decision
1	The ABP allows farmers to obtain finance without collateral.	3.95	1.097	Accepted
2	The ABP lower the rate of interest at which farmers finance were obtained.	3.83	0.893	Accepted
3	The ABP reduce the use of Ambiguous Terms and Conditions.	4.17	0.920	Accepted
4	The ABP help farmers overcome Complicated and Time-Consuming Procedure.	3.25	0.867	Accepted
5	The ABP make repayment of loans less stressful.	3.20	0.812	Accepted
	Grand mean score	3.68		Accepted

*(Field Survey, 2021)***Table 2. Correlations**

		Anchor Borrowers' Programme	Ease the burden of financing
Anchor Borrowers' Programme	Pearson Correlation	1	.837**
	Sig. (2-tailed)		.000
	N	154	154
Ease the burden of financing	Pearson Correlation	.837**	1
	Sig. (2-tailed)	.000	
	N	154	154

*\*\* Correlation is significant at the 0.01 level (2-tailed).***Table 3. Distribution of Respondents on Anchor Borrowers' Programme (ABP) and Agricultural Value Chain among Farmers Cooperatives in Anambra**

S/N	Response	Mean	Standard Deviation	Decision
1	The ABP allows farmers to manage inventory of raw materials ready for production.	2.85	0.891	Rejected
2	The ABP enhances farmers' efforts to convert raw materials into a finished product.	1.14	1.024	Rejected
3	The ABP reduce complexities in logistics of transferring outbound to agro-processors.	1.52	1.292	Rejected
4	The ABP helps farmers facilitate the sale of the product.	3.27	0.837	Accepted
5	The ABP promotes activities that create better consumer experiences.	2.59	0.789	Rejected
	Grand mean score	2.27		Rejected

*(Field Survey, 2021)*

**Table 4. Correlations**

		<b>Anchor Borrowers' Programme</b>	<b>Improved agriculture value chain</b>
Anchor Borrowers' Programme	Pearson Correlation	1	.145
	Sig. (2-tailed)		.072
	N	154	154
Improved agriculture value chain	Pearson Correlation	.145	1
	Sig. (2-tailed)	.072	
	N	154	154

**Table 5. Distribution of Respondents on Anchor Borrowers' Programme (ABP) boost output among farmers cooperatives in Awka South LGA, Nigeria**

<b>S/N</b>	<b>Response</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>Decision</b>
1	The ABP helps farmers to increase the quantity of crop output.	3.61	0.803	Accepted
2	The ABP enhances farmers' output quality.	3.18	0.954	Accepted
3	The ABP aids farmers to add value to the output.	3.71	0.839	Accepted
4	There is increase in your output based on farm inputs supplied by the ABP.	4.12	0.872	Accepted
5	There is increase in your output based on cash provided by ABP.	3.39	0.941	Accepted
	Grand mean score	3.60		Accepted

*(Field Survey, 2018) N= 154***Table 6. Correlations**

		<b>Anchor Borrowers' Programme</b>	<b>Output of farmers</b>
Anchor Borrowers' Programme	Pearson Correlation	1	.785**
	Sig. (2-tailed)		.000
	N	154	154
Output of farmers	Pearson Correlation	.785**	1
	Sig. (2-tailed)	.000	
	N	154	154

*\*\*.* Correlation is significant at the 0.01 level (2-tailed).



**Table 7. Distribution of respondents on anchor borrowers' programme (ABP) improves profitability among farmers cooperatives in Anambra, Nigeria**

S/N	Response	Mean	Standard Deviation	Decision
1	The ABP helps farmers to increase their total income.	3.74	1.064	Accepted
2	The ABP enhances farmers' sales turnover.	3.58	0.873	Accepted
3	The ABP aids farmers to boost their profit.	4.22	0.928	Accepted
4	The ABP helps farmers' to maximize profit at the long run of its operation of the business.	2.75	0.965	Rejected
5	The ABP enhances farmers to earn satisfactory returns.	3.27	0.784	Accepted
	Grand mean	3.51		Accepted

(Field Survey, 2018)

**Table 8. Correlations**

		Anchor Borrowers' Programme	Profitability of farmers
Anchor Borrowers' Programme	Pearson Correlation	1	.835**
	Sig. (2-tailed)		.000
	N	154	154
Profitability of farmers	Pearson Correlation	.835**	1
	Sig. (2-tailed)	.000	
	N	154	154

\*\* Correlation is significant at the 0.01 level (2-tailed).

The correlation table (Table 6) reveals that there is a strong positive relationship between the activities of the Anchor Borrowers' Programme and the boost in output of farmers. This is significant at 0.01 percent significant level, hence the null hypothesis was rejected and the alternate hypothesis was accepted which is that there is a significant relationship between the Anchor Borrowers' Programme and the boost in output of farmers in the study area.

### 2.1.7 Anchor borrowers' programme and profitability among farmers cooperatives in Anambra, Nigeria

Table 7 shows a grand mean is 3.51 which was quite high. Only maximizing profit at the long run of its operation of the business was rejected. The rest were accepted.

### 2.1.8 Test of hypothesis four

**H<sub>0</sub>:** There is no significant relationship between the Anchor Borrowers' Programme and improvement in profitability of farmers in the study area

Table 8 shows a correlation result between Anchor Borrowers' Programme and Profitability of farmers. The correlation coefficient was 0.835 which indicates a strong positive relationship between the two, significant at 0.01. Hence the null hypothesis was rejected and the alternate hypothesis was accepted.

## 3. DISCUSSIONS AND RESULTS

From the analysis of data and test of hypotheses the following findings were made:

1. Anchor Borrowers' Programme eases the burden of financing in agriculture among farmers in Anambra State.
2. Anchor Borrowers' Programme has not significantly improved agriculture value chain among farmers in Anambra State.
3. Anchor Borrowers' Programme has a strong positive relationship with the boost of the output of farmers in Anambra State.
4. Anchor Borrowers' Programme has a strong positive relationship with improvement in profitability of farmers in Anambra

The relevance of Anchor Borrowers' Programme has translated into improvement in the livelihood of Farmers cooperatives in Anambra State in the

areas of boosting output, improving profitability of among farmers' cooperative and ease of financing agriculture however has not had great effect on the improvement of agriculture value chain. Based on the findings of the study it was concluded that Anchor Borrowers' Programme presently has a significant influence on the livelihood of farmers in Anambra State.

## 4. CONCLUSION AND RECOMMENDATIONS

Based on the findings of the study, the following recommendations were made:

1. The Anchor Borrowers' Programme should set up an active committee to access farmers' situation and obtain first-hand information before a loan is given, during courses of the loan and at the point of harvest. This is aimed at discouraging farmers from providing false information and avoiding repayment.
2. More mechanized farming facilities and equipment should be applied by the ABP to further increase both output and profitability.
3. The Anchor Borrowers' Programme should institute a unit responsible for enlightening farmers on value chain in Agriculture that would enable the farmers to diversify. This can be achieved with liaising with Agricultural Development Programme and other similar Organisations.

## COMPETING INTERESTS

Authors have declared that no competing interests exist.

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