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CENTRAL BANK OF NIGERIA ANCHOR BORROWER PROGRAMME AND RICE PRODUCTION IN KOGI STATE, NIGERIA

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ABSTRACT

The Central Bank of Nigeria Anchor Borrower Program (ABP) and Rice Production in Kogi State is an attempt to examine the nature of the program intervention and the implications on Rice Production in Kogi State. The problem has been that, despite the huge amount committed to the program, there exists a big gap between rice production in Kogi State and Consumption demand. a paltry 1.7 million hectares of rice was cultivated in Nigeria out of 4.6 million hectares of land suitable for rice production. The average country rice consumption as of 2016 was estimated at 6.3 million tons while domestic supplies were estimated at 2.3 million tons with a whopping gap of 4 million metric tons. The Implementation of the ABP was not effective in meeting the anticipated goals of food security, reduction in the country's food import bill and creation of a new generation of farmers. The objective was to assess the nature of the Anchor Borrower Program Intervention and its impact on rice production in Kogi State of Nigeria. The paper further examines if the intervention has bridged the import gap for rice consumption in Kogi State or has made the price of locally produced rice more competitive. Developmental State Theory was adopted in the analysis of the variable. Time series and secondary data were used to ascertain the research objectives and outcome. The strategy of the ABP was to ensure farmers pay back the loan given to them with harvested crops. The loan period was marked by the gestation period of the crop. The research found out that there were measurable contributions of Anchor Borrower Program (ABP) intervention to rice production in Kogi State (Vis a Vis Nigeria); but, the exacerbated population growth, elite preference for imported rice and unwholesome practices by promoters of the program has further widened the gap between the local production and consumption in Kogi State. The paper found out that the program contributed to the quality and quantity of rice production in Kogi State; however, there is far gap between the value of funds committed to the program and the level of successes recorded so far. The research recommends that local production of rice must be strategically incentivized by the introduction of a Rice Subsidy and reward for Farmers that meet certain production quotas to create a wider interest in rice production in Kogi State and Nigeria at large.

Background of the Study

Rice is one of the most important grain crops globally. It has been an indispensable grain in fulfilling the food needs of the world population. The crop is widely grown in Asia, Europe, Africa, America and Australia and is notable for food security across the world. (Chauban, Jabran, and Mahajan, 2017). Rice has been a commonly grown crop in more than 100 countries across the 6 Continents of the world. As of today, about 158 million hectares of land with about 470 million tones of output are milled globally. Asia contributed to about 90% of rice cultivation in the world. East Asia contribution stands at 33% (China, Mongolia, Japan, Taiwan, Macau and Korea), South East Asia at 27% (Thailand, Malaysia, Singapore and Indonesia), South Asia 31% (India, Pakistan, Sri- Lanka and Bangladesh) Latin America 4%(Brazil, Mexico and others) and Africa 3% (Nigeria, Mali, Burkinafaso and Ghana). This data was as at 2011 (Chauban, et al.,2017).

FOASTAT, (2022) on the other hand was of the view that Africa accounts for 6% of global rice production. They further stated that rice was one of the most crucial sources of calories in Africa. Historically, rice was first domesticated in China and India. Today, rice has become the most stable food for more than half of the world's population. China and India accounted for 50% of the world's production and consumption of rice globally. It is the basic food for millions of poor living in Asia and Africa (Samithra, Jonathan, Scott, and Glen, 2007). The Oryza Sativa has been seen as a potential solution for food security and political stability in most developing countries. Rice has approximately 22 species of which out of which are wild while only 2 species are good for consumption. They are oryza Sativa and Oryza glaberrima. The forma was believed to have been cultivated in South East Asia, specifically in India, Thailand, and North Vietnam (Currently China) around Fifteen Thousand years to Eight thousand years ago. The latter is believed to be domesticated around three thousand years ago in the floodplain of the Niger River in Africa (Samithra, et al., 2007).

According to Asiru, Iye and Olaoluwa (2018), Oryza Sativa is widely grown in commercial quantities across the world. Oryza Glaberrima is only cultivated in Africa and is widely been replaced by oryza Sativa. They reiterated further that Oryza Sativa is been cultivated in more than 100 countries of the world. Historically, rice production takes an unprecedented record between 1940 and 1960 due to a series of research and technological innovations that sees an increase in rice production. The increase was occasioned by the introduction of high-yield varieties that can be harvested up to three times a year. This early mature variety is produced in virtually half of the world on irrigated land with high yield levels. They further observed that the demand for rice is expected to rise astronomically in the next 15 years (Asiru, et al., 2018).

According to the International Rice Research Institute IRRI (2013), Paddy rice is the harvested and processing of rice grain also known as Rice Mill. Milling of rice can be done traditionally in a one-step process through multi-dimension processes by the use of machines from paddy to brown or white rice. The institutes state that the paddy rice produces 65% of the rice while the

35% is the waste from husk, bran and germ. The milling processes deplete the rice of its micronutrients such as vitamins and minerals. With the innovation in modern technology, rice can now be fortified by adding micro-nutrients to milled rice by minimizing nutrient loss during the milling process. This mitigation is done through parboiling processes where the harvested rice is partially steamed to transfer the nutrients from the outer layers into the grain (IRRI, 2013).

Statement of the Problem

Nigeria is an agrarian society with agriculture as the mainstay of the economy. Despite the foreign exchange earnings from Oil and Gas and in recent times solid minerals, Nigeria is one of the leading consumers of imported rice in the world. A paltry 1.7 million hectares of rice was cultivated in Nigeria out of 4.6 million hectares of land suitable for rice production. The average country rice consumption as of 2016 was estimated to be 6.3 million tons while domestic supplies were estimated at 2.3 million tons with a whopping gap of 4 million metric tons. Nigeria Government spent 2.4 Billion USD on rice importation between January 2012 and May 2015 (Asiru, et al.,2018). The Anchor Borrower Program was introduced in 2015 to ramp up the domestic production of rice and create a new generation of farmers to reduce food import bills and ensure food security in Nigeria.

Despite the Intervention worth about 2 Trillion Naira, there is still a far gap in the domestic production of rice and consumption demand as many Nigerians especially the elites still prefer imported rice instead of locally produced rice. The anchor Borrower program had its challenges as the loan disbursements were alleged to be politicized, loans were given to non-farmers and were utilized for purposes other than the production of rice. The president of the Rice Farmers Association Lamented that ABP was used to avail loans to politicians and their business associates (Godwin, 2023). The Federal Ministry of Agriculture stated that the failure of the Anchor Borrowers Program (ABP) was because the Central bank did not involve the ministry in monitoring and disbursement. The Director of the ministry Mr. Baba Gabriel further lamented that the ABP was not domiciled in their ministry. It's on the above premised the researcher attempts to examine the extent of the Anchor Borrower Program (ABP) impact on rice production in Kogi State.

Research Questions

a- What is the nature of the CBN’s Intervention in Agriculture through the Anchor Borrowers’ Scheme?
b- How has the CBN Intervention through Anchor Borrower impacted Rice Production in Kogi State of Nigeria?

Research Objective

a. To examine the nature of the CBN's Intervention in Agriculture through the Anchor Borrowers' Scheme.

b. To find how the CBN Intervention Through Anchor Borrower Impacted Rice Production in Kogi State of Nigeria.

Scope of the Study

The study covers the Anchor Borrower Program and Rice production in Kogi State of Nigeria. It focuses on the activities of rice farmers who are beneficiaries and non-beneficiaries of Anchor Borrower and how it impacted rice production in Kogi state between 2015 and 2023. The nature of the Intervention will be examined to determine if rice production in Kogi State has increased within the period under study.

Theories of Developmental State

Developmental State theory is premised on the assumption that economic development requires a state whose authority can create and regulate appropriate conditions for development to occur. It is a Controlled Economy that is either liberal or fully socialist. The theory emerged with the notion that neo-liberal economic theory has several shortcomings that are not suitable for development in developing countries. The recent economic crisis proved that deregulated markets are not sustainable in the long term. Given the above, state-market integration is crucial to address market failures. The economic crisis has given credibility to the central role of state intervention and has made the developmental state paradigm more convincing in developing emerging economies (Edigheji, 2010)
Chang (2009), asserted that neo-liberalism does not take into consideration the limit of liberalization of the economy as the politicization of some economic decisions is inevitable. He further states that a developmental state is also known as an interventionist state. According to the proponent of Developmental Theory, economic development requires a state which can create and regulate the economy and the political relationship that can support industrialization.

Johnson (1982) was the first to coin the concept of a Developmental State to emphasize the role of the state in Japan's industrial policy. The state must however salvage itself by taking a developmental function to effectively champion the industrialization drive. A developmental state is seen as a planned rational system against the market-oriented system championed by the United States of America. Johnson sees the developmental state as a "market-conforming theory" where the market must conform to the structural dictate of the state. Johnson categorizes a state into two; a Developmental State and a Regulatory State. Regulatory States are the Western states that were pivots of industrialization built on the principle of a free market economy while developmental state performs developmental functions aimed at the industrialization of the economy. It’s also known as a state-led development strategy.

Ben (2001), Identified the typology of Developmental State theory from the perspective of economic and political schools of thought, the latter focuses on the policies enacted by states as the fulcrum of industrialization and economic growth while the former focuses on the interface between the state and the society in relations to collaboration between the state, elites and the

capitalist class that pave the way for state to interfere in the market. Chang(2002), stated that the general pattern of developmental state has become remarkable and has become a more or less universal set of policies that can be applied by other states in pursuit of developmental goals without regard to contextual realities.

Leftwich (1995), observed that countries in South East Asia such as Malaysia, Thailand and Indonesia have had significant industrial growth as a result of the developmental state. Developmental state according to him is only applicable to a state that is effective, disciplined and pragmatic or benevolent dictatorship in such a way that the state ensures growth of the economy with primacy on poverty reduction, export of high Tec Products and job creation. Leftwich (2008), also views a developmental state as a state whose developmental successes are predicated on its political and institutional drive for development. Omer (2016), was of the view that a developmental state could be seen as a state with a high level of autonomy with strong institutional capacity over all segments of the capitalist class and interest that can leverage specific interventionist policy aimed at developmental goals. Most proponents of developmental States are of the view that successful state intervention often involves a mutual alliance between the state and private sector. At a more scholarly level, the notion of "embedded autonomy" was seen as a precondition for the success of the developmental state paradigm. The notion does not only suggest close cooperation between the state and society but also the integration of the bureaucratic elites to minimize corruption rent-seeking practices and state capture by interest groups (Evans, 1995).

Relevance of the Theory

Developmental State theory is state-centric and has the long notion of nationalism and national development vision as the fulcrum of their policy. It has been a foundation in explaining the developmental processes or industrialization of emerging economies and also prescribes developmental processes for developing countries such as Nigeria (Levy, B. and S. Kpundeh eds.,2004). Despite the challenges of neoliberal economic theory, the theory has been a game changer for most emerging economies across the world. The primary role of the state in economic development does not require any justification other than the past and present experiences of different emerging economy countries across the world. There are indications that state intervention aimed at boosting economic transformation and industrialization has a far-reaching positive impact as could be seen in Singapore, China, Taiwan and Japan. The propositions that less state intervention facilitate more economic transformation and industrialization both in developing and developed countries has never been sustainable (Kohli, 2004).

Limitations of the Theory

Policy mistakes in the state-led economy have a ripple effect like in the case of the Asian financial crises between 1997 and 1998. The theory is still prone to the neo-liberal influence of external institutions and actors to reduce state intervention in the economy (Omer, 2016). Omer

further criticizes the statist positions of the developmental state and the premise in which the developmental state is conceptualized as misleading in terms of understanding the nature of the state, as it has been understood as a separate entity from class conflicts by developmental state theorists; therefore the conflicts that have taken place during the process of a state's development have been obscured to the extent that the state is neutralised in terms of class relations. Therefore, developmental state theorists treat the state as a technocratic body separate from class relations, which obscures the contradictory nature of state-led development. Developmental state mystifies the exploitative nature of the capitalist state on the one hand, while overlooking the contradictions intrinsic to capitalist development on the other (Omer, 2016).

Methodology

The study is conducted in Kogi State of Nigeria. The population of the study consist of the Rice Farmers Association in the State both beneficiaries and non beneficiaries of the Anchor Borrower Program. The staff of the Development Department of the Central Bank overseeing the program and that of the Agricultural Development Program (ADP) and the processor of rice in the state were also sampled. Five Local governments namely, Ibaji, Idah, Lokoja, Kogi Koton Karfe and Bassa Local Government of the state. The selection of local government was done based on the area with higher cultivation of rice and a higher number of beneficiaries.

The sample selected was arrived at by simple random sampling and purposive techniques.

The Rice Production in Asia

Rice production not only plays a primary role in providing food for the human race but also a source of job creation, contribution to Gross Domestic Product (GDP) and political stability around the world. Virtually all cultures and the human race are associated with rice production and consumption respectively.

Randolph, Robert, and Beth, (1985) in their enduring research on the implication of rice production to the Asian Economy were of the view that the crop occupies a significant place in the global food system. More than two-thirds of the world population with high proportions from Asia largely depend on rice as a primary source of food. Interestingly, 90% of global rice is produced in Asia but surprisingly; most Asian rice farmers are small farmholders with an average of less than 3 hectares. The cultivation processes involve intensive labour practices in place of mechanization in the 80 (Roa, Wani, Ramesha and Ladha, 2017).

Te-tzu, (1977) pointed out that the development of modern rice production was pioneered in Asia by Japanese research and irrigation system and other system of rice production. The innovation was to ensure food output that was above farmers' consumption needs. Accordingly, Japan was able to develop pre-conditions for a formal agricultural system and research capable of producing farm inputs such as fertilizer, modern transport and communication systems to impact on high yield of rice production in Asia. Today, both traditional and modern technologies are used in rice production in Asia.

The Asians were also the first to research improved rice varieties in the late 50's and in the early 60's. In the 70's, the modern technology of rice production has been spread throughout most of the Asian countries. Thailand, Vietnam and Burma were the major exporters until Thailand became the net exporter in post-World War 2. The export continues to increase as a result of demand from consumers in the Middle East and Africa (Tudayo, 1978). The entire feat achieved in Asia largely depends on research and development supported by various Asian countries. Tijjani(2020), states that Asian countries such as China put research and development as strategic which invariably impacts their agricultural technology for rice cultivation using wet field techniques and hydraulic engineering. He further posits that the development gave the Chinese firsthand experience in irrigation systems and other innovative farming tools such as Weeding Racks, Iron Plow, Deep-tooth Harrows and Seed Drives. Historically today, the Asian rice economy is the biggest in the world contributing to their Gross Domestic Product (GDP) and Job creation. Despite African milestones in rice production, rice exports from Asia continue to surpass domestic production in Africa (Fana, 2017).

Rice Production in Africa

Rice is one of the stable foods in Africa, despite government support in terms of agricultural policies in the West Africa sub-region towards optimum rice production, most West African countries mostly import rice to meet their food security needs as demand continues to grow while African consumers shift attention from conventional grains to rice (Fana,2017). Guillaume, Matty, Aminou, Frederic, and Patricio (2020), have had extensive research on the rice value chain in West Africa. They discovered that the 2008 economic crises have drawn global attention to domestic food value chain capacity for food security in the West Africa sub-region. The International Communities and the West African policymakers throw their attention to domestic rice production and redistribution as a means of important calories to address the impending hunger and starvation in the region. They posit further that African policymakers formulated their tailor-made National Rice Development Strategy (NRDS). According to them, the domestic rice production did increase within the period on account of government interventions, but; the domestic rice redistribution value chain could not meet up with the consumption patterns. This development led to a major consumption gap that needed to be bridged by rice importation. Whereas, where local rice production is available, the consumers in the coastal area of West Africa have a preference for imported rice (Guillaume, et al., 2020).

Food security has been a daunting challenge in the West Africa sub-region. The number of undernourished in the region increased from 31.5 million to 56.1 million people between 2009 and 2018. Within the same period, there were about 15.7 million undernourished people in Nigeria (FAO, 2019). Rice production has constantly improved in West Africa as the local production capacity rose from about 2.2 million tons to 12.7 million tons between 1962 and 2018 respectively. Between the periods of 2009 to 2019, more than 10 million tonnes of rice was produced annually which accounted for 65% of annual rice production in Sub–Saharan Africa. Major Producers of Rice in West Africa are Nigeria with 3.7 million tons, Mali with 1.4 million

tons, Guinea with 1.3 Million tons and Cote D Ivoire with 1.1 million tons. The annual growth rate of rice production was on the average of 10.1 million tonnes. The major contributors to this increase were Nigeria, Ghana, Cote DiVoire and Mali as their annual production capacity has increased between 9.1% and 19.4 % annually. On the contrary, the yield did not correspond to the production increase which further triggered the consumption gap (Arouma, 2017a &Guillaume et' al., 2020).

It was however noted that the West African countries face critical rice deficits and the region (Nigeria Inclusive) continuously relies on rice imports from Asian countries.

Rice Production in Nigeria

Nigeria is an agrarian society with agriculture as the mainstay of the economy. Despite the foreign exchange earnings from Oil and Gas and in recent times solid minerals, Nigeria is one of the leading consumers of imported rice in the world. A paltry 1.7 million hectares of rice was cultivated in Nigeria out of 4.6 million hectares of land suitable for rice production. The average country rice consumption as of 2016 was estimated at 6.3 million tonnes while domestic supplies were estimated at 2.3 million tonnes with a whopping gap of 4 million metric tons. Nigeria's Government spent 2.4 Billion USD on rice importation between January 2012 and May 2015 (Asiru, et al., 2018).

It was on the premise of the above that the federal government of Nigeria introduced the Anchor Borrower Programme (ABP) in 2015. The programme was aimed at ramping up domestic rice production to decrease rice importation, increase capacity utilization for rice mills from below 50% to 80% respectively and also build the capacity of small farmholders on target commodities which the country has a comparative advantage to produce (Bayo, 2019). Rice is consumed by households and for industrial use in Nigeria especially for pharmaceutical and other food-based production. The consumption which was 5 million tons in 2010 was projected to rise to 36 million tons in 2050 with a consumption pattern of more than 18 million tons today (Asiru, et al., 2018).

Rice Production in Kogi State

Kogi State, Nigeria was created on August 27th 1991 with Lokoja as State Capital. It has a total land mass of 29833 square kilometres; the state is located on the latitude of 60 42 North and 70 30 East and shares boundaries with South, East and northern parts of Nigeria. A great percentage of the population lives in rural areas as they mostly engage in agricultural production. Rice cultivation in Kogi State is supported by flood plains with River Niger acting as a major rice growing environment with about 38,000 Ha of rice cultivated area and yield of 79890 metric tons in 2004 (Adams, 2018).

The major rice-producing areas are Ibaji, Lokoja, kogi Koton Karfe and Bassa local Government. Shuaibu, and Huabu, (2017) in their assessment of rice farmers in Kogi state on the improved

farming technology discovered that Nigeria can meet the domestic demand of rice production. However, the low adoption of rice production practices has created a wide gap between the potential and the actual yield per hectare. It was given the above development the World Bank established Agricultural Development Projects (ADP) in all the states of Nigeria. They observed further that despite the above intervention and other government supports over the years; Rice farmers in Kogi State have not been able to achieve desirable productivity due to the consistent adoption of traditional technologies in the face of modern production practices. This development was attributed to a lack of or inadequate knowledge of improved practices as well as the cost of necessary rice farm inputs.

Abdulazeez, Musa, Sadiq and Oladimeji (2018), in their assessment of the food security situation among farmers under Accelerated Rice Production in Kogi State, observed that the Agricultural Transformation Agenda (ATA) launched in 2011 was to among other things close the gap between demand and supply for rice consumption and production in Nigeria. To also ensure self-sufficiency in rice through the development of an effective rice value chain that can attract investment in local rice production by 2015. It was on the above premise that the then Kogi State Government initiated the Kogi State Accelerated Rice Production Program (KARPP) aimed at rice sufficient production in Kogi State of Nigeria with a primary focus on irrigated rice production system and ensuring wealth creation for farmers. Despite the above initiatives, rice production in Kogi state and Nigeria at large has been incongruent with consumption demand by the escalating population growth with unimaginable national spending on food imports.

It is because of the shortcomings of the aforementioned initiatives that the Anchor Borrower Program (ABP) was introduced in 2015 by President Muhammadu Buhari.

Discussions

Abili (2018) and Kemi, (2016) enumerate the agricultural finance intervention of the Central Bank of Nigeria as the Agricultural Credit Guarantee Scheme (ACGS) which gives a guarantee to commercial banks that grant agricultural loans to small farm holders with the attraction of interest rebate on prompt payment of loan. Commercial Agriculture Credit Scheme (CACS) avails funds to medium and large-scale commercial agricultural entities at a single-digit rate with a plan to wind up the programme by 2025. The Anchor Borrower Programme (ABP) was meant to create linkages between agricultural processing companies and small farmholders to boost the production of specific agricultural commodities. The scheme is billed to be terminated in 2025.

The Agribusiness/ Small and Medium Enterprise Investment Scheme (AGSMEIS) is meant to develop an agricultural value chain where the Central Bank of Nigeria specifically augments equity contributions from participating commercial banks. The Scheme offers credit to the tune of Ten Million Naira for 8 years at 9%. The scheme will however come to an end by 2027. The National Food Security Program of the CBN was to support the Federal Government grain

reserve policy on commodities such as Maize, Millet, Sorghum, and soy. The Nigeria Incentive Base Risk Sharing System for Agricultural Lending (NIRSAL) was established to de-risk funding of agricultural value chains and boost confidence in agricultural lending through incentive and technical support to commercial banks (Abili,2018).

Other interventions are the Accelerated Agricultural Development Scheme (AADS) developed to engage a minimum of Ten thousand Youths per state of Nigeria including the Federal Capital on agricultural products, Paddy Aggregation Scheme (PAS) where short-term working capital is provided to boost the capacity of Integrated Rice Millers to purchase paddy during the harvest period and thus reduce the cost of production for locally made rice in Nigeria. There was also a Presidential Fertilizer Initiative towards the production of 1 million metric tons of fertilizer for the 2018 wet season alone (Abili, 2018 Kemi 2016).

Kemi further asserts that the bank intervention in the agricultural sector has created over 6 million direct and indirect jobs in the area of agro-chemical, small-scale machines such as planters, improved seedlings and improved animal, birds and fish breeds.

The Central Bank of Nigeria (CBN) introduced the Anchor Borrower Program (ABP) in 2015 with a mandate to collaborate with anchor companies that specialize in the production and processing of agricultural commodities. The anchor firms are designated off-takers in taking agricultural products from organized out-growers. This initiative has had a great impact on Nigeria's Agricultural transformation as farmers had greater access to funds that were hitherto a bottleneck to financing farming activities by small farmholders (Saheed, Alexander, Isah, and Adeneye, (2018).).

The project was tailored to boost rice production and other agricultural products that dominate the country’s food import bills. The expected outcome was to achieve a strong agricultural base that is viable with a more integrated value chain, national food security, a decline in importation and higher productivity (Coker, Akogun, Adebayo, and Muhammed, (2018). The ABP was designed to strategically support the federal government's key economic diversification, and self-sufficiency in food production to drastically reduce the estimated 3.96 Trillion naira annual food import bill on wheat, rice, sugar and wheat(CBN,2016). The program has so far covered 29 states of the federation including Kogi state with 13 participating institutions covering 233,000 hectares and 8 commodities. The program is expected to link over 200,000 rice and wheat farmers with reputable millers as off-takers of every grain paddy produced. It is however expected to connect over 600,000 small farmholders in the rice production value chain. The program is structured into the following; Out-grower, Training and Support with risk mitigation (Coker, et al., 2018).

Grace, and Lawrence(2017), wrote on the evaluation of Anchor Borrower program prospects for small-scale farmers in Nigeria. They observed that the food import bill burden has become unbearable on Nigeria as its potential in the agri-business sector as a major employer of growing

labour and foreign exchange earnings has been undermined. They aver that the biggest challenges to the development of the agricultural sector are Small size farms, Low levels of Mechanization and poor infrastructure. But in Asia, especially India and China, Small farmholders are the fulcrum of food security in their country. While the large-scale farmers are meant for export purposes to Africa and the Middle East. The ABP shall make loans available through deposit money banks, development finance Institutions and Micro Finance Banks. The Anchor shall comprise both public and private sectors of the economy. The input suppliers are expected to submit an Expression of Interest (EOI) to the Project Management Team (PMT). The Central Bank made available funds from 220 billion Naira set aside for the intervention to lend at 9% per annum. The loan term shall be at the gestation period of the targeted crop (Grace and Lawrence, 2017).

The loan shall be repaid with harvested produce while the Central Bank shall absorb 50% of the risk in the event of default by the anchorer.

The Central Bank of Nigeria (2018), reported that agriculture was the second highest contributor to GDP in the non-oil sector after Services. The Central Bank intervention program increased crop production from 3.6% and 4.7% in stable and other crops compared to 2.25 and 4.3% in 2017. The bank however noted that there was a decrease in agricultural prices in the year under review because of excess supply from agricultural producing regions to the world market and the low demand from China. The export products from Nigeria that are affected by prices are Rubber, Groundnut, Coffee, and Palm Oil. Products such as Wheat, Cocoa, Cotton, soybeans, and Sorghum had a favourable price increase due to the demand by the international Market. Rice was not reported as an export crop by the Central Bank Report; this means that our local production could not meet up with the local consumption as of 2018. Godwin,(2023)captured a glaring picture of challenges facing the Central Bank of Nigeria as the payment of the Anchor Borrower Loan draws nearer. The loan stood at 1.7 trillion naira as of today and became a critical challenge in recovery as it was alleged not to be utilized for the original purpose for which it was sought by most of the beneficiaries. It was given the above that President Ahmed Bola Tinubu has mandated the immediate recovery of the loan. Half a billion of the said loan was loaned to only 10 states in Northern Nigeria for Rice Production according to the rice farmers association. Kaduna 13.9 Billion, Niger 61 Billion, Kano 58.2 Billion, Borno 36.5 Billion, Sokoto 49.3 Billion, Katsina 5 Billion, Gombe 36.1 billion and Zamfara State 3.5Billion. Godwin further states that the Covid-19 pandemic and the persistent security challenges are some of the challenges to the loan repayment. One of the beneficiaries narrated his ordeal as they were made to believe the loan was free on the eve of the 2019 General Election as such; most of them used the loan for other purposes other than rice farming. There was also a serious flood affecting farmers within the period under review, notwithstanding; that most beneficiaries were discovered to be 'Political Farmers'. The president of the Rice Farmers Association Lamented that ABP was used to avail loans to politicians and their business associates (Godwin, 2023). The Federal Ministry of Agriculture stated that the failure of the Anchor Borrowers program (ABP)

was because the Central bank did not involve the ministry in monitoring and disbursement. The Director of the ministry Mr. Baba Gabriel further lamented that the ABP was not domiciled in their ministry. Despite the above challenges, rice production has risen from 2.5 million Metric tons to 7.8 Million tons in Nigeria as of today.

Abdulkareem, (2023) reported that the Central Bank of Nigeria disbursed the sum of 629 Billion naira in 2022 through the Anchor Borrower Program as reported in the 2022 financial report of the bank and the 2022 disbursement stood at 949.2 billion naira. It was on record that not less than 4.8 million small farmholders benefited from the program across Nigeria as of 2022. Abdulkareem further states that yearly national production of the crops listed for intervention has significantly increased between 2015 and 2022 respectively. Nigeria's rice and maize production is today above 12 million Metric tons and the country is the number one producing Nation in Africa a head of Egypt who was hitherto the leading producer. Nigeria is also ranked 14th globally in milled rice production and 13th in rice production. The country also occupies the second spot as a maize producer in Africa. It was however noted that the bane of the successful implementation of the program was the existence of 'Ghost Farmers' created by desperate politicians to reward their cronies. Kabir, (2023) in his investigation on the implementation of the Anchor Borrower Program ABP corroborated the position of Abdulkareem that farmers or the beneficiaries failed to pay the loan due to devastating floods and other political forces. The default is however affecting the banks in further lending to agriculture in Nigeria. According to the report, ABP was designed to create a generation of new farmers to bridge the unemployment gaps and also provide food security in Nigeria. Some of the issues were late delivery of farm input, inadequate input support and haste implementation of the program. Several findings show many beneficiaries access the loan for other purposes not directly related to rice production in their various localities.

Despite the debt burden, more than 50% of the loan has already been paid so far. Farmer's benefits from the intervention however outweigh the challenges as they made profits from rice production. An average yield on a hectare was 5 tons which produces about 70 bags of rice with a market value of 13,000 (Thirteen Thousand Naira) each. A loan amount of 220,000 (Two Hundred and Twenty Thousand Naira) was given per hectare of land cultivated. This implies that less than 50% of rice harvested can offset the loan. The investigator found out that the loan is payable, but people who invested the loan outside the purpose for which it was meant could find it very difficult to pay back the loan. Kabir further disclosed that the pilot implementation experienced a shortage of farm input due to large numbers of beneficiaries, especially the irrigation pumping machines. He reiterated that despite the above challenges, rice mills in Nigeria have increased from the initial 10 to 68 as of 2023. The ABP has supported farmers in the cultivation of 6.2 hectares of land for the funded crops. The program has improved the national average yield per hectare and has saved the country about 800 million USD annually in foreign exchange.

Balogun et al., (2021) in their assessment of Anchor Borrower Program performance in Lagos State observed that many rice farmers were unable to access the loan or given the right amount for rice production in the state. According to them, the participating financial institutions also serve as a bottleneck to the seamless implementation of the program (Ibekwe, 2018) and were of the view that more attention was given to disbursement and recovery with little attention to the implementation processes of the loan. Despite the above challenges, there was a great milestone in the program on account of the rate of adoption of improved rice varieties by farmers. The consumption of local rice was also apparent in Nigeria's population (Evbuomwan and Okoye, 2017).

Conclusion

Given the intervention of the Anchor Borrower Program ABP in Kogi State; a Great milestone was recorded in rice Production and the strategy does contribute to Food security in Nigeria. Despite the intervention, the Local production could not meet the demand for local Consumption as rice is supplied by traders from nearby states to meet the local demand. This implies that the intensity of the program was therefore limited in such a way that it could not spark rice production effectively for local demand. The Anchor Borrower Program was politicised to some extent and politicians influenced the loan for their allies who did not have interest in farming. These developments have affected the federal government's lofty height of rice production for export to neighbouring African countries as a means of foreign exchange earnings.

Recommendations

From the analysis of the Anchor Borrower Program of the Central Bank of Nigeria and Rice Production in Kogi State, the paper recommends the following;

1. Local rice production in Nigeria must be strategically incentivised where farmers can access houses and car loans for quota production of certain tons of rice per annum and foreign trip excursions for selected farmers to a major rice produce country for adequate use of improved technology and for also meeting up with their production quota.

2. The Federal Government will have to introduce rice subsidies to create more earnings for farmers, stimulate local demand and competitive prices against imported rice.

3. Any intervention must be strictly monitored by various interest groups in order to curb the diversion of funds that have been peculiar with previous agricultural interventions in Nigeria.

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