

Outgrower Scheme and Income of Farmers: A Study of Sunti Golden Sugar Company

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DOI: <https://doi.org/10.52403/ijrr.20260107>

ABSTRACT

Literatures on several agricultural produce abound on outgrower scheme across the world. This research adds to the plethora of studies with emphasis on communities surrounding Sunti sugar plant owned by Golden Penny Company. The study examined the effect of sugarcane outgrower scheme on the income of farmers in communities surrounding Sunti Golden Sugar Plant in Mokwa Local Government. Questionnaire, Focus Group Discussion and observation were utilised to collect data from participating farmers in surrounding communities and study their habitat. Data analysed shows the scheme has significant positive effects on farmers' income in the study area. Farmers experienced increase of income due to their participation and the income from the scheme was stable and highly beneficial. The general increase in the income of farmers can be noticed in their spending to improve their existing houses and or build new houses; increased family spending; and upgrade of means of transportation. The significant increase of income outgrowers get from the scheme makes them highly dependent on the scheme. Cessation of the scheme would adversely affect outgrowers. However, only the male folk largely benefit from the scheme. Women are left out. The company's welfare activities towards surrounding communities are insignificant.

Hence, it is recommended that NSDC takes deliberate measures on Corporate Social Responsibility such as "tax break for social amenities" taken into cognisance sugar company's profitability and tax need of government using yearly social amenities scorecard; NSDC should institute a policy that mandates involvement of women in sugarcane outgrower scheme as farmers and staff by sugar plants; NSDC should facilitate periodic workshops to expose farmers to savings and investment education to reduce their over dependence on income from the scheme.

Key Words: Outgrower Scheme, Sugarcane, Backward Integration, Sugar Production

INTRODUCTION

Sugarcane is an agricultural product with great potentials. It has increasingly become an essential commodity for direct consumption and an important raw material in pharmaceutical, beverage, food and allied sectors for preservation, flavouring, colouring agent, texture modifier, fermentation substrate, sweetening among other uses. In the food and health sectors, sugarcane, sugar and sugar by-products are used for medicinal purpose and as food. In the beauty industry, it is used for beautification and as raw material for cosmetics. At home and garden, it is useful for cleaning, preservation and disinfection. In the industrial sector, sugar and sugarcane

serves as raw materials for plethora of things like bioplastics, biofuel, paper, textiles, and electricity generation among several other usages. These among several other reasons have attracted the production of sugar on a large scale and ballooned the global sugar industry into hive of activities. The importance of sugar makes it a source of wealth for people and nations (Nmadu, Ojo, and Ibrahim, 2013).

Despite having the potential for sufficiency in sugar production from the local economy, Nigeria depends largely on importation for its local consumption and this is detrimental to the Nigerian economy, as it leads to loss of huge foreign exchange through importation and employment opportunities for its continuously increasing citizens who are largely unemployed. If adequately developed Nigeria has not only the potential for sugar self-sufficiency but also sugar buoyancy for export and by implication income generation and foreign exchange earnings. Figures by Food and Agricultural Organization Statistics (FAOSTAT), shows that Nigeria spent \$8.18 Billion (N1267.6B) to address sugar deficit from 1961-2011 (Nmadu, Ojo, and Ibrahim, 2013). Data obtained from NSDC website (nsdc.gov.ng) shows that \$3.92 Billion was spent on sugar import from 2012 to 2022.

To improve sugar availability, state owned sugar plants for sugar production (later privatised in the early 2000s) were setting up; several research centres for Research and Development (R&D) in sugarcane were established; and National Sugar Development Council (NSDC) was established for regulatory purpose and to drive the sector towards growth.

Globally, many sugar companies rely a lot on out-growers for efficient, effective and sustainable availability of cane as raw material. In Nigeria, Sugarcane Out-grower Scheme is an important measure contained in the National Sugar Policy (NSP) and National Sugar Master Plan (NSMP) documents. Sugarcane Outgrower Scheme is an arrangement between farmers and companies which entails an obligation to

supply and payment of certain agricultural products based on certain price and conditions of the agreement. Out-grower schemes are formed around an agreement between farmers and contracting companies who make a pre-harvest commitment to buy their produce (Timothy and Theo, 2017).

The effect of outgrower scheme on the wellbeing of farmers is hotly debated. Abegunde (2021) reveals risk of indebtedness, increased risk of monoculture among out-grower farmers, possibility of manipulations by firms through price determination, possibility of default from user-company on contractual agreement, gradual weakening of farmers' bargaining power, user-companies could set delivery schedules to affect price, the risk of losing-out of previous business linkages, and the tendency to be glued to an enterprise choice as part of the effects of out-grower scheme. De Schutter, (2011) identifies vulnerability of small-scale farmers to food insecurity and transformation of small-scale farmers into wage-earning agricultural labourers on their own land as some of consequences of out-grower schemes. The study by Wendimu, et al (2015) and Waswa, Mwamburi and Netondo (2009) shows that the income farmers got from sugarcane outgrower scheme was comparatively lower than income from other crops. In the study by Nsimiire, and Owoyesigiyire (2023), result shows that commercial sugarcane cultivation is the main driver of food insecurity and that the scheme increases outgrowers vulnerability to food insecurity. However, the study by Diana (1986) shows that farmers benefit from new technologies, ready markets, secure inputs and prices, increased cash incomes; and that the scheme offers a mechanism by which the local community will be able to initiate self-sustained development, and by which the government can earn foreign exchange or increase food security goals for specified agricultural commodities. Thabbal,et al (2023) shows that, while the scheme has positive effect on income of outgrowers showing outgrowers households relatively

having higher incomes in comparison to non-outgrowers' household and participants in the scheme had high percentage of respondents with personal land ownership, cement house and zinc roof compared to the non-outgrowers, but, the distribution of income between small scale farmers and out-grower companies favours the later. This paper attempt to examine the effect of sugarcane outgrower scheme on the income of participating farmers using Sunti Golden Sugar Company in Nigeria as a case study.

CONCEPT OF OUT-GROWER SCHEME

Out-grower scheme and contract farming are interchangeably used or core-satellite farming (Senanayake, 2008) in the literature. Senanayake, (2008) traces the practice of out-grower scheme to the United States in the 1940s but Abegunde (2021) traces it to the 1930s. Out-grower scheme is loaded with plethora of definitions due to its divergent usage and forms in practice and literature and the perceptions of different people. Though the concept converges as a contractual arrangement that avail the parties involved the benefits of availability of agricultural products to firms on one hand and support on the other hand to farmers, it differs in types and forms, thus definitions.

Minot (1986) defines out-grower scheme as agricultural production carried out according to an agreement between farmers and a buyer which places conditions on the production and marketing of the commodity (Senanayake, 2008). Will, (2013) define out-grower scheme as a forward agreement that specifies obligations of farmers and buyers as partners in business, it stipulates farmers who are the sellers' obligations to supply produce according to specified volume and quality, and the buyers' who are the processors' and or traders' obligations to provide production services such as inputs, finance, extension, training, transports and logistics while also off-taking the produce and making payments as agreed upon (Abegunde, 2021). Similarly, Katharina and

Denise (2010), define out-grower scheme as binding arrangements through which a firm ensures her supply of agricultural produce from an individual or groups of farmers. It facilitates a specially designed trade agreement between producers, processors and traders leading to a vertical integration of the agricultural value chain. According to Abegunde, (2021), Wright (1989) identified three pillars of outgrower scheme which are: (i) Future market (grower and buyer agree for future transactions), (ii) Resource provision (buyer agrees to supply inputs and technical advice), and (iii) Specification compliance (growers agree to follow the recommended package of practices for crop cultivation).

The research by Timothy and Theo, (2017) classified out-grower scheme into informal, intermediary, multipartite, centralised and nucleus-estate. The informal entails 'arrangements on an annual or seasonal basis, or spot-trading between farmers and company/traders, with no specification or requirements as to quantity and no credit or extension services provided' and that 'beyond buying crops, there is little interaction between company and farmer'; 'no provision of inputs or extension services', and 'contracts based on verbal agreements without any specific requirements. In this form of out-grower scheme, companies are usually 'small local firms which can process limited inputs and enter into arrangement with smallholder farmers for agricultural produce in exchange with cash. While this is cheap and simple to establish and operate by companies, it exposes out-growers to vulnerabilities and uncertainties and reduces the influence of companies to the production process of agricultural products (Timothy and Theo, 2017).

The second form is the intermediary out-grower scheme where agricultural commodities pass through an intermediary organisation like local buyers, lead farmers, or farming groups before going to commercial buyer or processor. In this arrangement, as crops pass through

intermediaries, there is limited direct interaction between the company and farmer. At times some input provision or extension services through local farming groups are provided by the companies to intermediaries to pass on to farmers. Though the company's investments are limited and relationship between company and farmers is limited, the scheme may stimulate the creation of farmer groups which can facilitate further agronomy training (Timothy and Theo, 2017).

The Multipartite Out-grower scheme is the third. It entails a partnership between a commercial buyer of the produce and one or more Micro Financial Institutions, Non-Governmental Organizations, and/or input suppliers. In this scheme, the companies and farmers interact through input provision, extension services, and/or credit but the interaction between farmers and commercial buyers or processor is limited. The scheme mostly involves medium sized firms, which can build partnerships with other organisations but cannot handle full provision of inputs and credit themselves partner with others to outsource the availability of agricultural products. Unlike the informal and intermediary arrangement, the scheme balances risk sharing across institutions involved in the partnership, and different institutions can develop specialist expertise in their particular area of operation. However, coordination of activities between different partner institutions is a challenge and limited interaction with buyer can encourage side-selling (Timothy and Theo, 2017).

The centralised system whereby firms provide inputs and/or extension services and buys produce, usually subject to strict product quality requirements is the fourth type. The scheme involves high degree of interaction between company and farmer, in the process of providing inputs and credit, and through extension services. Products like coffee, tea, cocoa, poultry which require a high degree of processing, have a high degree of perishability, are technically difficult, and display large variations in

quality and are mostly the subject of this form of out-grower scheme. Thus, the scheme mostly involves big companies that can invest substantially into setting up out-grower schemes with a full provision of inputs and can wait until crops are fully developed especially the case with perennial crops like cocoa, palm tree. In this type of scheme, firm have high degree of control and their frequent interaction with farmer ensures control over quality and reduces side-selling (Timothy and Theo, 2017).

Nucleus-estate scheme is the fifth. In this arrangement usually the company has a central farm and processing facilities, and supplements own crop production with supply from out-growers. It is characterized by high degree of interaction between big companies which have their own agricultural production facilities and farmers with usually strict product requirements to ensure out-grower output is at the same quality as the company's own production. This scheme avail firms high level of control thereby easily providing inputs and extension services through central farm to out-growers but huge investment requirement and geographic proximity limits flexibility with regards to out-grower selection (Timothy and Theo, 2017).

According to Senanayake, (2008), Williams and Karen (1985) classified outgrower scheme into nucleus estate; modified nucleus estate; nearby processing and contract farming; distant processing and contract farming; contract farming and marketing companies out-grower schemes. They describe Nucleus Estates as enterprises with a core processing plant; plus, a farm or plantation operated by the plant to produce part of the raw material requirement; plus, a system of obtaining additional raw materials by means of contracting exclusively with small scale farmers. On the other hand, the Modified Nucleus Estates are essentially nucleus estates with the difference that contract farms are a mixture of both small scale and larger, more commercial operations. While the Nearby Processing and Contract

Farming, are enterprises that obtain 100 percent of their raw materials through a system of contract farming, using small scale operators primarily, but possibly including larger scale, commercial farms as well. Such enterprises do not have a farm or plantation operated by the processing plant. Distant Processing and Contract Farming form of out-grower scheme is made up of enterprises that obtain 100 percent of their raw material supply through a system of contract farming that uses small scale farmers primarily but may include larger scale commercial farms as well. Farming takes place some distance away from the processing plant, distinguishing these enterprises from those of Nearby Processing and Contract Farming. The last form is the Contract Farming and Marketing Companies which are enterprises that have no investments in a processing plant. They market raw materials obtained through a system of contract farming, using the small-scale farmers primarily, but in some cases include large-scale commercial farms.

Sugarcane outgrower scheme in Nigeria is a government policy. The policy mandates companies doing sugar business in the country to engage in backward integration whereby the sourcing of sugarcane which is a significant part of raw material for making sugar is sourced from local host communities by engaging farmers in contract arrangement to cultivate and supply sugarcane for the mutual benefit of farmers and sugar companies.

RESEARCH METHODOLOGY

The research design is descriptive. The study was carried out in communities surrounding Sunti Golden Sugar Estates in Mokwa Local Government, Niger State, Nigeria. The research population is 345. The population comprises 333 outgrower farmers and 12 Sunti Golden Sugar Company staff. Outgrowers as at the time of the study are from Rabba-Kede, Rabba-Ndeshi, Jaagi, Kusogi, Tyabo, Gboya, Dukkun-Lwuaifu, Nwogi, Dankogi, Kukpanti-Bukka, Emigi, Lwuaifu, Ibba,

Batagi, Sunti, Sabon-Tunga, Dzangum, Gidan-Mungorota and Kanji communities. The staffs involved are those in-charge of supervising the scheme (Field work, 2024). Krejcie and Morgan (1970) table was used to determine a suitable sample size. The sample size of this study is 178. Cluster sampling technique was utilised. The researcher divided the research population into clusters. Each community is considered as a cluster. Random sampling of the clusters was carried out to use as the sample. All outgrowers within the selected clusters are included in the sample. From each community, outgrower farmers were randomly selected and questionnaire distributed to them. Cluster sampling technique was used because the research population is dispersed, and grouped into communities.

The method of research used for the study is mixed. Both qualitative and quantitative methods were used. The instruments used for the collection of primary data in the study are Focused Group Discussion, Questionnaire, Interview, photography and Observation. Outgrower leaders were engaged in Focused Group Discussion which helped the researcher to engender familiarity with the population and design of questionnaire for the research. Questionnaire was used because the research population is literate and large in number. Furthermore, questionnaire is suitable when research is meant to collect information on the opinion of respondent and anonymity is required. Interview schedule was utilised to collect data from staff of sugar plant in-charge of the scheme. Company staffs interviewed are the Agricultural Manager II and the eleven (11) outgrower scheme supervisors. Observation was used to study the habitat of outgrowers and get data on the scheme. Photography was also used to collect data.

Reconnaissance survey was conducted to ascertain and test the validity of the questionnaire as an instrument for data collection on sugarcane outgrower farmers. To validate the instrument for data

collection, copies of the drafted questionnaires were distributed to 35 farmers and all copies of questionnaires were collected after one week to examine the suitability, relevance, and comprehensiveness of the drafted questionnaire base on the objectives of the research and the questions the study intends to address. Cronbach's Alpha reliability test was used to assess its reliability of the questionnaire for data collection to determine the degree to which it consistently measured what it was designed to measure. The Cronbach's Alpha reliability test is based on the range of reliability coefficient of 0 to 1, with 0 representing full of error and 1 representing total absence of error.

Data collected using questionnaire from the field was coded and analysed using Statistical Package for Social Science (SPSS) version 23.0. Questionnaire were analysed using both descriptive and inferential statistics and results were presented. Chi-Square was used to test the stated hypothesis of the research. Data collected through interview and observation were manually analysed and responses grouped into themes based on the research objective.

RESULTS OF THE STUDY

In total, one hundred and seventy-eight (178) questionnaires were distributed. From the total questionnaire distributed, 166 were returned which approximates 93.3%. Result from the field shows that only 2.4% of respondents are between the age of 48 and 57 and no farmer is less than 18 years or under-aged. Result also shows 41.7% of staff involved in the scheme and interviewed are between 38 to 47 years while the least age group among staff respondents is 48 to 57. This means that most of the farmers are in their most active and productive age of less than 40.

Result also shows that 90.4% respondents are male and only 9.6% respondents are female which reveals a male dominated social, cultural and economic arrangement.

It shows that the female folk are not adequately represented which might be a result of socio-cultural factors that excludes women and disposes them of economic power.

From the survey only 12% of the respondents have 1-3 years of farming experience and about 88 percent of them have four and above years of experience in farming. This has the potential to significantly impact on the cultivation know-how and agronomic skills of farmers which may be related to their agricultural productivity and food security. Result from the field also shows that 28.9% of the respondents have farm size of between 1-5 hectares; 12% have farm size of 16 and above hectare; 12% have farm size of below 1 hectare; 25.3% have farm size of between 6-10 hectare; and 21.7% have farm size of between 11-15 hectares. This shows that most of the outgrowers are smallholder farmers. On the duration of participation in the scheme, 27.7% of the respondents have participated for 3-4 years; 28.9% for 1-2 years; and 43.4% for 2-3 years. Data from the field shows that 27.7% of the respondents mainly use manual labour for the scheme's cultivation; 18.1% mainly use mechanise labour; and 54.2% combines both manual and mechanise labour.

The general increase in the income of farmers can be noticed in their spending to improve their existing houses whereby some changed the roofs of their dwellings from thatched roof to metal zinc but maintained their mud structures. Some even built cement based modern houses, and with modern roofing sheets. Some farmers married more wives and some improved their means of transportation by acquiring bicycles, motorcycles and even cars in very few cases.

Data shows that the scheme has generally improved the income of farmers. The improvement in the income of farmers is accompanied by improvement in their housing and means of transportation. The increase of income has also led to farmers marrying wives thereby expanding the size

of their families. This is shown in the responses of farmers, whereby 30.1% had an annual income of less than N500000 before joining the scheme but the percentage of farmers with annual income of less than N500000 dropped to 10.8% after joining the scheme. By implication, more farmers became richer because those within the least income group decreased and those within higher income groups increased, which can be seen with more farmers in higher income groups. Hence, the percentage of farmers with over N2000000 income before joining the scheme rose from 13.9% to 36.1%. In juxtaposing the two, while there is a 19.3% reduction in the number of farmers with less than N500000 annual income, there is an increment of 22.2% in the number of farmers with over N2000000 annual income which is remarkable. As income of the respondents increased, farmers spent their increased income mainly on three things, marrying wives; renovation of existing apartments, building more rooms or even houses; and upgrading their means of transportation. Thus, data shows that 13% of the respondents had no wife before joining the scheme but that changed to 2% after joining the scheme. This means that 11% of those without wives before joining the scheme got married after joining the scheme. Also, the percentage of those with one wife before joining the scheme changed from 23% to 26% after joining the scheme and those with two wives moved from 28% before joining the scheme to 30% after joining the scheme while those with three wives moved from 24% before joining the scheme to 27% after

joining the scheme. Finally, those with four wives increased from 12% before joining the scheme to 15% after joining the scheme. Change in the means of transportation of the farmers was also discovered by the study. Before joining the scheme 24% of the respondents used trekking as their main means of transportation, 22% mainly used personally owned bicycles and 35% mainly used personally owned motorcycles. After joining the scheme, farmers that used personal bicycle increased by 2% and those that used personally owned motorcycle ballooned by 16% which is a significant increase.

The research also found noticeable change in the housing of farmers before joining and after joining the scheme. Before joining the scheme, 53% of farmers lived in mud house with thatched roof, but joining the scheme reduced the percentage to 39% and facilitated an upgrade. In addition, before joining the scheme, 34% of farmers lived in mud house with zinc roof but after joining the scheme the percentage of farmers that lived in mud house with zinc roof increased to 42%. Similarly, the percentage of farmers that lived in a cement block house with zinc roof was 13% before joining the scheme, which became 19% after joining the scheme. The significant increase of income outgrowers get from the scheme makes them highly dependent on the scheme.

Test of Hypothesis

Hypothesis H₁: There is no significant relationship between the sugarcane out-grower scheme and the income of farmers in the study area.

Table 4.6 Chi-Square Test Summary

Sugarcane Outgrower Scheme Has Increased Income of Farmers	Test	Chi-Square Value	Degrees of Freedom (df)	p-value
	Pearson Chi-Square	277.146	16	0.000
	Likelihood Ratio	252.966	16	0.000
	Linear-by-Linear Association	118.643	1	0.000

Decision

Pearson Chi-Square test shows significant results ($p < 0.05$) across all tested effects

and confirm that the sugarcane out-grower scheme has substantial impacts on farmers' income. On the Likelihood Ratio result, the

high values further emphasize the strength of the relationship between the scheme and increased income. On Linear-by-Linear Association, consistent significance highlights direct relationships between the scheme and farmers' income. Thus, the hypothesis H_1 is rejected. The sugarcane out-grower scheme has significant positive effects on farmers' income in the study area. Farmers benefit from increased income and stable source of earnings. The suspension of the scheme would adversely impact their income.

DISCUSSION OF FINDINGS

The finding from the statistical analysis on the data collected counters the hypothesis statement. The scheme has significant positive effects on farmers' income in the study area. The farmers experienced increase of income due to their participation and the income from the scheme was stable and highly beneficial. Cessation of the scheme would adversely affect income of outgrowers. However, only the male folk largely benefit from the scheme. Women are left out. The number of women outgrower farmers and staff involved in the scheme is very low, which might be a result of systematic cultural discrimination of women. Gender representation of respondents among company staff where 100% are male and no female is involved in the scheme is appalling.

This is similar to the study by De Schutter, (2011) which reveals that outgrower schemes are not equal gender considerate and are discriminatory towards women. The finding of the study by Girei and Giroh (2012) also shows dominance of male outgrowers in the sugarcane outgrower scheme. By implication, even though the scheme has general positive effect on farmers, an important segment of the society in general and the local community in particular is left-out from benefitting from the scheme.

The study by Thabbal, Ezra, Joel and Bashir (2023) found general positive effect of the scheme on income of outgrowers in terms of

income increment compared to nonparticipants and that participation yielded better income and wellbeing compared to other sources but the scheme fell short in income distribution among participants, favouring bigger farmers compared to small farmers, thus engendering inequality.

In addition, research by Babalola, Okoruwa, Omonona, and Oni (2013) reports that participation in the scheme accrue significantly higher income than non-participation and that nonparticipant farmers stood at disadvantage because of their inability or refusal to engage in the scheme. The findings of the study by Mwavu, Vettes, Fred, Patrick, Daniel, Thomas and Michael (2018) show that 78.4% of the respondent in sugarcane outgrower scheme consider it as the major source of their income.

However, the study by Waswa, Mwamburi and Netondo (2009) shows that cultivation of other crops like 'onions, tomatoes, indigenous vegetables, cassava, sweet potatoes, pineapples and groundnuts were more profiting and yielded more income than sugarcane cultivation. The study by Wendimu, Mengistu Assefa; Henningsen, Arne; Gibbon, Peter (2015) shows that cultivation of other food crops like tomatoes and onions generates far higher income than sugarcane and participation in the scheme affects negatively the income of farmers. Waswa, Mwamburi and Netondo (2009) find that the net earnings of farmers were drastically reduced due to deductions by the company. To contextualise outgrower scheme and income, Abegunde, (2021) outlines access to stable market, assured and fixed pricing system, credit, agri-inputs and agri-support services; increased production and productivity as the benefits derived from the scheme which all contributes generally to increased income.

The study by Leite, Leal and Langa (2016) found that while officials of state institution and officials of some of the Non-Governmental Organizations posit that sugarcane outgrower scheme is beneficial to

farmers both on income and local food production, outgrower farmers assert otherwise. Though 'farmers acknowledge labour and social services as opportunities brought by the sugar mill, they posit that progress on capacity building and irrigated areas for food production fall short of expectations. In addition, outgrowers mistrust the sugar mill due to the lack of transparency in the contract of the scheme especially the method used to pay outgrower farmers.

However, despite the positive effect the scheme has on the income of farmers, it falls short in terms of Corporate Social Responsibility. The company's welfare activities towards its surrounding communities are insignificant. For instance, the surrounding communities only see but do not enjoy electricity generated by the company. Roads connecting surrounding communities and even roads leading to and within the company are very bad. Only one school located between Kusogi and Jaagi communities was built by the company since it started operation. No hospital or health care support is given to the communities by the company. Medical outreach programme which includes screening and surgery was organised by the company once since the estate was took over by the company. Portable water remains a problem to most people living in the surrounding communities and the presence of the company has not changed that. However, the researcher finds out that Batagi and Emigi communities have a solar powered borehole each courtesy of the company (Agricultural Manager II, 2024). Thus, the presence of the company has not contributed much in providing social amenities to its surrounding communities.

CONCLUSION

The research assessed the effect of sugarcane outgrower scheme on the income of participating farmers. Based on the data collected, presented, analysed and interpreted, it can be concluded that sugarcane outgrower scheme by Sunti Sugar

Company plant improve farmers income, thus a plus for the farmers involved in terms of income.

However, despite the positive effect of the scheme on the farmers and sugar plant in general, it is riddled with certain shortcomings. Data collected from the field shows that the outgrower scheme is gender skewed. Women are not adequately represented among both outgrowers and company staff. It is men that directly benefit mainly from the scheme as revealed in the data.

In addition, income dependence of participating farmers on the scheme as shown in the data is not good for their financial security, because the cessation of scheme, could be hugely devastating. Financial insecurity exposes farmers to mental stress and negatively affects the overall wellbeing of their lives.

Corporate social responsibility by the company towards its surrounding communities as discovered by the research and revealed in the data is almost absent. The sugar plant has done very little in terms giving back to the host community in projects and programmes. These are some of the problems associated with the sugarcane outgrower scheme by Sunti Sugar Company as discovered in this study.

Recommendation

Based on the findings of this research, it is recommended that deliberate measures should be taken by the National Sugar Development Council (NSDC) to ensure that outgrower farmers and company staff involved in the scheme includes women in large numbers. The NSDC should have a policy that mandates involvement of women in sugarcane outgrower scheme by sugar plants. This is easy because land used for the scheme by Sunti Sugar Company is owned by the company, hence socio-cultural values that discriminate against women in land ownership is not a barrier. On female staff involvement, the NSDC should make it mandatory for sugar companies to employ a lot of qualified female staff for the scheme.

Deliberate measures on Corporate Social Responsibility such as “tax break for social amenities” by the NSDC should be effectively and efficiently enforced which takes into cognisance sugar company’s profitability and tax need of government. Yearly social amenities scorecard can be used by the NSDC to ensure compliance. Deliberate measures should be established by the NSDC to enhance financial security of outgrower farmers through savings and investment in education and enlightenment to reduce their over dependence on income from the scheme. The NSDC should make it a requirement that farmers engaged by sugar companies in the scheme are exposed periodically to workshops on savings and investment. However, commitment and dedication of outgrowers to the scheme must not be compromised in the process. The NSDC should institute programmes on the training of outgrowers on rudiments of management practice which includes planning and budgeting to help farmers address the issue of food instability throughout the year.

Declaration by Authors

Acknowledgement: None

Source of Funding: None

Conflict of Interest: No conflicts of interest declared.

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How to cite this article: Abdullahi Abdulkadir, Niworu Salihu Mohammed. Outgrower scheme and income of farmers: a study of Sunti golden sugar company. *International Journal of Research and Review*. 2026; 13(1): 65-75. DOI: <https://doi.org/10.52403/ijrr.20260107>
