

Perceived Impact of OLAM Farming Enterprises on Rural Farmers in Nasarawa State, Nigeria

¹Iorhee, A.

*Department of Agricultural Education,
Joseph Sarwaun Tarka University Makurdi,
Benue State, Nigeria.*

²Weever, D. G

*Department of Agricultural Education,
Joseph Sarwaun Tarka University Makurdi,
Benue State, Nigeria,*

³Lan, M. T.

*Department of Agricultural Education,
Joseph Sarwaun Tarka University Makurdi,
Benue State, Nigeria.*

Abstract

The study identified Perceived impact of OLAM farming enterprises on rural farmers in Nasarawa State, Nigeria. Two research objectives guided the study and two research questions were raised. The paper employed descriptive cross-sectional research survey design because data were collected from a population of 506 registered farmer using a structure questionnaire title: OLAM Farming Enterprises on rural farmers Questionnaire (OFERFQ). Purposive and Simple random sampling techniques was used for the study and analysed using descriptive statistics such as Mean, Frequency and Percentages. The findings revealed that, OLAM impacted positively on income generation among rural farmers in the study area through its agricultural extension agents by training rural farmers on technologically driven agriculture for improved income generation, through its partnership with rural farmers such as input distribution and re-purchase of the out from farmers to avoid waste. OLAM was providing market access to rural farmers in its host-rural communities, and OLAM was impacting positively on sales and marketing of farm produce among rural farmers in the study area by buying farm outputs from rural farmers during harvest at competitive prices. The findings also revealed that, the agricultural company was not into feeder roads construction within its host communities for enhanced transportation system. It was concluded that OLAM farming enterprises were impacting positively on income generation and sales and marketing of farm produce among rural farmers in the study area, but were not opening and developing their host rural communities through feeder roads construction. It was recommended that, OLAM farming enterprises should take their Corporate Social Responsibilities to their host rural communities serious, and Nasarawa state government should persuade OLAM farming enterprise's managers to give back to their host rural communities in the study area by initiating feeder roads construction for enhanced transportation system.

Keywords: Farming, Enterprises, Rural Farmers.

History:

Received : October 6, 2025

Revised : October 27, 2025

Accepted : November 30, 2025

Published : December 31, 2025

Publisher: Network for Educational Advancement and Development

Licensed: This work is licensed under
a Creative Commons Attribution 4.0 License



INTRODUCTION

Food determines the health status of the people of any nation. Where healthy food is not sufficiently available, there is hunger, starvation, diseases and increase in social vices in such a country. This leads to increased level of insecurity as it is witnessed in Nigeria today. To cushion these effects, many non-governmental organizations have taken to production and processing of food in Nigeria. One of such organizations is OLAM.

According to OLAM Annual Report (2023), OLAM is not an acronym. OLAM is originally a Hebrew word, "OLAM," simply means the world or Universe. OLAM International is a major global agribusiness and food processing company that has her headquarters in Singapore. OLAM Annual Report (2023), states that, OLAM International was

founded in 1989, and has grown to become one of the largest integrated supply chain managers and processors of agricultural produce and food ingredients in the world. The Report also states that, the company operates across 60 countries including Nigeria, and specialises in sourcing, farming, processing, packaging, and distribution of agricultural produce/products such as cocoa, coffee, nuts, spices, grains, cotton, rice among others.

OLAM International came to Nigeria in 1989, the same year the Agro-Company was founded and since then, the company operates across several States in the country (Ikoyo et al., 2023). According to the authors, OLAM farming enterprises in Nigeria are strategically located across different States, focusing on crop production and commodities that are essential for both local consumption and export markets. Their operations emphasize sustainable agricultural practices, technology adoption, and community engagement to promote agricultural development in Nigeria. Ikoyo et al., (2023), also stated that, OLAM International is into agricultural activities such as rice farming and processing, oil palm plantations, cocoa and coffee plantations, poultry farming and livestock feeds production, sesame cultivation, cotton farming and so on. One of the benefitting States is Nasarawa.

OLAM Commenced operations in Nasarawa State in 2005 through agricultural activities such as rice cultivation and processing, which have contributed to the local economy and agricultural development in the rural communities (Chukwuka, 2016). The authors further stated that, OLAM's out-grower scheme in Nasarawa State was established in 2012 among rice farmers in three Local Government Areas of the State, namely, Awe, Keana and Doma. The factory headquarters of the company is located in Rukubi community in Ekye Development Area of Doma Local Government Area of Nasarawa State. The author also stated that, the company generates paddy supplies for its rice milling factory located in Rukubi, cultivates in nucleus farm located near the factory and purchases paddies in the open markets. Based on the agricultural activities of OLAM farming enterprises in rural communities in Nasarawa State, OLAM farming enterprises are expected to have impact on farmers in rural communities of the State.

Impact refers to the effect or influence that something has on its surroundings or on people. Impact could be positive or Negative. In the context of this research work, the researcher is interested in the positive impact OLAM farming enterprises have on rural farmers in Nasarawa State, Nigeria. According to Akinagbe and Ajayi (2012), OLAM, a private Commercial and Multi-product company provides what could be called specialised extension services and uses specific agricultural produce such as cocoa, coffee, cashew, shea nuts, sesame, rice among others as industrial materials, which the extension agents of the company train rural farmers on production, processing and marketing of the mentioned agricultural produce. According to Akanbi, Alarape and Olatunji(2019), OLAM farming enterprises are renowned international rice producers and a major licensed rice importer. The scholar stated that, in 2005, OLAM began rice production in rural communities in Benue, Nasarawa and Kwara States. That, they were processing rice locally from a government rice mill located in Makurdi, Benue State. The scholar stated that, in 2006, the United States Government through United State Agency for International Development (USAID), partnered with OLAM farms and they relocated their factory to Rukubi Community in Doma Local Government Area of Nasarawa State, Nigeria.

Akanbi et al., (2019), stated that, the USAID partnership with OLAM farming enterprises helps the agribusiness company to develop a rice value chain model that encourages adoption of improved technologies, building farmers capacity, commercial linkages to credible market outlets, and a strategic public private partnership. The company provides certified seeds,

fertilizers, credits and support farm mechanisation through partnership with the Nasarawa State Government. The scholar also stated that, the USAID markets programme provides training and supervision of selected farmers, while OLAM provides training on good agricultural practices to all the out-growers. In partnership with First Bank of Nigeria, OLAM offers out-growers loans for other inputs such as herbicides, pesticides, farming tools among others. That, OLAM farming enterprises have an arrangement for transportation of rice paddies from smallholder farmers' sites for processing in high quality industrial mills and paid competitive (above market) prices for Paddies.

OLAM Livelihood Charter(2015), outlines the impact of OLAM farming enterprises on Rural Farmers in Nasarawa State, Nigeria as follow: (OLAM offers farmers groups finance for crop production, purchasing an asset investments, invests in training and supports farmers with the supply of inputs such as fertilizers, seeds or seedlings, trains farmers on health and safety, gender inclusion, elimination of child labour and promoting farming as a business, offers farmers a fair and competitive prices by remaining on ground throughout the entire cropping season, encourages farmers to produce good quality crops by enhancing value to farmers and customers through paying premiums, ensures product can be tracked to source and certified where required, supports rural health, education and infrastructure to strengthen the potential of farming communities, reducing overall environmental foot print by training farmers on climate-smart Agricultural practices to increase productivity, improve soil, water and forest management among others) . All the above benefits as well as the positive impacts from OLAM farming enterprises go directly to rural farmers and affect their lives positively.

Farmers are individuals or groups of persons engaged in agricultural activities such as cultivation of crops, raising livestock, and other practices related to food production (Nneka, Chidiebere & God's Power, 2020). The concept of farmers is fundamental to understanding global food systems, rural economics and sustainable development. The authors further stated that, farmers are primary producers of food and agricultural produce/products essential for human consumption and industrial uses. Thus, farmers play a critical role in ensuring food security and supplying raw materials for various agro-allied industries. Akanbi et al. (2019) opined that, farming activities carried out by farmers stimulate rural development by creating employment opportunities, supporting local businesses such as agribusiness, marketing, as well as contributing to infrastructural development. Farmers can be subsistence farmers who grow crops and raise livestock primarily to meet the needs of their families or local communities, or commercial farmers who operate large scale farms with the goal of selling their farm produce for profit and Agribusiness entrepreneurs who engage in farming as a business venture, integrating multiple aspects of agricultural production, processing and marketing. Both men and women in the rural communities of Nasarawa State are involve in farming. These farmers live in rural communities in Nasarawa state Nigeria.

Rural communities refer to areas outside cities and towns, characterised by lower population density and a typical economy based on agriculture, natural resource extraction, or small-scale manufacturing (Abubakar & Fatima, 2020). Rural communities are also characterised with inadequate social amenities such as good water supply, electricity, health care services, good schools, roads, recreational centres, among others. The authors also stated that, rural areas have fewer people compared to urban areas with a space population which often leads to a close-Knit Community where people know each other well. Historically, rural communities depend on farming crops and rearing of livestock which is their major economic source as is practiced by farmers in Nasarawa State, Nigeria.

Statement of the problem

Through interaction of the researcher with OLAM farming and personal observations, the researcher discovered that, despite the growing presence of OLAM agribusiness company in the study area, there is limited empirical evidence on how OLAM farming enterprises impact positively on rural agricultural practices and social life of rural farmers in the study area.

The researcher perceived that, understanding the impact of OLAM farming enterprises on rural farmers in the study area is crucial for accessing the effectiveness of OLAM farming enterprises on its host communities and also identifying potential areas of improvement in their engagement with rural farming communities. Hence, the title of this study: Perceived Impact of OLAM Farming Enterprises on Rural Farmers in Nasarawa State, Nigeria.

Purpose of the study

The main purpose of the study was to assess the perceived impact of OLAM Farming Enterprises on Rural Farmers in Nasarawa State, Nigeria. Specifically, this study sought to:

1. assess perceived impact of OLAM farming enterprises on income generation among rural farmers in the study area.
2. determine perceived impact of OLAM farming enterprises on sales and marketing of farm produce among rural farmers in the study area and

The following research questions were raised to guide the study:

1. What are the perceived impact of OLAM farming enterprises on income generations among rural farmers in the study area?
2. What are the perceived impact of OLAM farming enterprises on sales and marketing of farm produce among rural farmers in the study area?

METHODOLOGY

The paper employed descriptive cross-sectional research Survey research design. The study was conducted in Nasarawa State, Nigeria. Nasarawa state is located in the North Central part of Nigeria. The population of the study consisted of five hundred and six (506) registered rural farmers in Rukubi Council ward of Doma Local Government Area of Nasarawa State, Nigeria (NADP 2024). A total sample size of two hundred and two (202) respondents was selected for this study using purposive and simple random sampling techniques.

Firstly, Nasarawa state was purposively selected due to the presence of OLAM Agribusiness Company in the state. Secondly, Doma Local Government Area of the state was purposively selected due to the presence of OLAM farming enterprise there. Thirdly, Rukubi council ward was purposively selected out of ten (10) council wards of the Local Government Area, due to the location of OLAM farming enterprise headquarters there. Fourthly, four (4) rural communities were randomly selected, including Rukubi Central, Gidan Buba, Gidan Auta and Gidan Kado. Finally, a sample sampling frame for each of the selected rural communities was developed, and using proportional allocation of 40% (0.4) across board, a total sample size of 202 respondents was obtained.

The instrument for data collection was structured questionnaire developed by the researcher based on the research questions and specific objectives with 17 items. The instrument was validated by three (3) experts, one in extension and rural sociology from the

Department of Agricultural Extension and Rural Development, one measurement and evaluation from the Department of Guidance and Counseling and the other from extension education in the Department of Agricultural Education, all from the Joseph Sarwuan Tarka University, Makurdi, Nigeria.

To establish the internal consistency of the questionnaire, the instrument was subjected to trial testing. The instrument was administered to thirty (30) respondents who were rural farmers in Adaka community of Makurdi Local Government Area of Benue State, where ORACLE farm's headquarters are located. Adaka rural community was selected because the rural farmers there had similar characteristics with the rural farmers in Rukubi rural community due to the presence of the agribusiness companies in their localities. The data collected were analyzed using Cronbach Alpha method which give a coefficient of 0.82 indicating that the instrument was reliable and consistent.

Data was collected by the researcher with the assistance of three research assistants. Data were analyzed using descriptive statistics such as mean, frequency and percentages. Decision rule: Any item that score 2.50 and above will be regarded as impactful and below 2.50 will be regarded as not impactful.

RESULTS

Research Question 1

What are the impacts of OLAM farming enterprises on income generation among rural farmers in the study area?

Table 1: Mean Ratings, Frequency and Percentages of Respondents on Impact of OLAM Farming Enterprises on Income Generation among Rural Farmers in the Study Area (n =202).

S/NO	Variables	\bar{x}	F	%	Remark
1.	OLAM extension agents train rural farmers on technological driven agriculture for improved income generation.	3.71	202	100	Impact
2.	OLAM interventions mitigate price fluctuation which ensures income stream for rural farmers.	3.65	202	100	Impact
3.	OLAM initiatives improve crop quality, thereby increasing income generation of rural farmers.	3.50	199	99.6	Impact
4.	OLAM initiatives help to reduce post-harvest losses which positively increasing income generation of rural farmers	3.64	200	99.7	Impact
5.	OLAM operations create direct and indirect employment opportunities, which stimulate income levels of rural farmers.	3.63	198	99.5	Impact
6.	OLAM assists rural farmers with loans to expand their farms for increased income generation	1.09	187	85	No. impact
7.	OLAM enhances income levels of rural farmers by linking them with National Root Crops Research Institute (NRCRI), Umudike for quality seeds procurement.	1.09	189	85.9	No impact
8.	OLAM links rural farmers with International Institute for Tropical Agriculture (IITA), Ibadan to obtain biofortified crops for enhanced income generation.	1.04	194	91.5	No impact
9.	OLAM Partnership with rural farmers boosts economic activities in rural communities for increased income generation.	3.40	202	100	Impact

n=sample size , \bar{x} = Mean of respondents, F= frequency of respondents and % = Percentages of respondents. Source: Field Survey; (2025).

Data presented on Table 1 revealed that, the items 1, 2, 3, 4, 5, and 9 had their mean values ranged from 3.40 to 3.71, indicating that, their mean values were above the cut-off mark of 2.50. This showed that, the respondents agreed that, they were the positive impact OLAM farming enterprises have on income generation among rural farmers in the study area. In item 1, 202 out of 202 respondents said it was an impact which constituted 100% agreement. Items 2 and 9 had the same responses in terms of frequency and percentages. In item 3, 199 out of 202 respondents agreed that, it was an impact, which constituted 99.6%. In item 4, 200 out of 202 respondents said it was an impact, which constituted 99.7%. And in item 5, 198 out of 202 respondents agreed that, it was an impact which constituted 99.5%.

Data presented on Table 1 also revealed that, the items 6, 7 and 8 had their mean values ranged from 1.04 to 1.09, indicating that, their mean values were below the cut-off mark of 2.50. This showed that, the respondents agreed that, they were not among the positive impact OLAM farming enterprises have on income generation among rural farmers in the study area. In item 6, 187 out of 202 respondents said it was not an impact, which constituted 85%. In item 7, 189 out of 202 respondents said it was not an impact, which constituted 85.9%. And in item 8, 194 out of 202 respondents said it was not an impact, which constituted 91.5%.

Research Question 2

What are the impact of OLAM farming enterprises on Sales and marketing of farm produce among rural farmers in the study area?

Table 2: Mean Ratings, Frequency and Percentages of Respondents on Impact of OLAM Farming Enterprises on Sales and Marketing of Farm produce among Rural Farmers in the Study Area (n= 202).

S/NO	variables	\bar{x}	F	%	Remark
1.	OLAM provides market access to farmers in rural communities.	3.60	202	100	Impact
2.	By offering fair and transparent pricing mechanisms, OLAM has stabilises prices for farm produce in local markets.	3.50	202	100	Impact
3.	OLAM initiatives increase yields of rural farmers leading to high sales volume.	3.40	199	99.6	Impact
4.	OLAM integrates farmers into its food supply chain.	3.70	202	100	Impact
5.	OLAM invests in processing and storage facilities which reduce post-harvest losses.	3.70	202	100	Impact
6.	OLAM is into feeder roads construction within its host communities for enhanced transportation system.	1.02	196	94.2	No. impact
7.	OLAM'S sustainable agricultural practices enhance the reputation of farm produce/products, potentially increasing sales.	3.20	202	100	Impact
8.	OLAM buys farm outputs from rural farmers during harvest at competitive prices.	3.61	202	100	Impact

n= sample size, \bar{x} mean of respondents, F= frequency of respondents and % = percentages of respondents.

Source: Field Survey; (2025).

Data presented on Table 2 revealed that, the items 1, 2, 3, 4, 5, 7 and 8 had their mean values ranged from 3.20 to 3.70, indicating that, their mean values were above the cut-off mark of 2.50. This showed that, the respondents agreed that, they were positive impact OLAM farming enterprises have on sales and Marketing of farm produce among rural farmers in the study area. In item 1, 202 out of 202 respondents said it was an impact, which constituted 100%. In item 2, 202 out of 202 respondents agreed that, it was an impact, which constituted 100%. In item 3, 199 out of 202 respondents said it was an impact, which constituted 99.6%. In item 4, 202 out of 202 respondents said it was an impact, which constituted 100%. In item 5, 202 out of 202 respondents said it was an impact, which constituted 100%. In item 7, 202 out

of 202 respondents agreed that, it was an impact, which constituted 100%. And in item 8, 202 out of 202 respondents said it was an impact, which constituted 100%. The data presented on Table 2 also revealed that, item 6 had its mean value below the cut-off marks of 2.50 which was 1.02. This showed that, the respondents agreed that, it was not one of the positive impact OLAM farming enterprises have on sales and marketing of farm produce among rural farmers in the study area. In item 6, 196 out of 202 respondents said it was not an impact, which constituted 94.2%.

Discussion of Findings

The findings of the study on Table 1 also revealed that, OLAM was not impactful to rural farmers with loans to expand their farms for increased income generation, and OLAM was not linking rural farmers with National Root Crops Research Institute (NRCRI) Umudike, for quality seeds procurement and that, OLAM did not link rural farmers with the International Institute of Tropical Agriculture (IITA) Ibadan, to obtain improved crop for enhanced income generation. These findings were in contrast with the findings of Akanbi et al (2019) and Ayinde (2016), which revealed that, in partnership with First Bank of Nigeria, OLAM offers out-grower's loan for other inputs such as herbicides, pesticides, farming tools among others to expand their farms. That, OLAM boosts the income generation of rural farmers as well as to provide them with good health and nutrition by linking them with National Root Crops Research Institute (NRCRI) Umudike and International Institute of Tropical Agriculture (IITA), Ibadan.

The findings on Table 2 revealed that, OLAM provides market access to farmers in rural communities, offers fair and transparent pricing mechanisms which stabilised prices for farm produce in local markets, OLAM initiatives increased yields of rural farmers leading to high sales volume, OLAM integrated rural farmers into its food supply chain, OLAM invested in processing and storage facilities which reduce post-harvest losses, OLAM's sustainable agricultural practices enhanced the reputation of farm produce/products potentially increasing sales and that, OLAM was into buying of farm outputs from rural farmers in the study area during harvest at competitive prices. That, the above OLAM farming enterprises interventions positively impacted on sales and marketing of farm produce among rural farmers in the study area. The findings of the study agreed with the opinion of Umhlaba (2018) which advocated that, for small-holder farmers to have value for their farm produce/products, government and private investors in agricultural sector should help farmers in bringing markets closer to them as well as training them on modern strategies for effective sales of their farm produce/products. The findings of the study also agreed with OLAM Livelihood Charter (2015), which outlined some positive impact of OLAM farming enterprises have on sales and marketing of farm produce/products among rural farmers in the study area thus; provision of market access to rural farmers, stabilizing prices for farm produce/products by offering fair and transparent pricing mechanisms, integrating rural farmers into its food supply chain, provision of storage facilities and processing plants, among others.

The finding of the study also revealed that OLAM as an agribusiness company was not into feeder roads construction within its host rural farming communities in the study area for enhanced transportation system. This implied that, the agribusiness company was not committed to the opening up of rural communities as well as bringing infrastructural development to its host rural communities, for road network is key for rural development in terms of free flow of farm produce from the point of production to the point of sale. This finding of the study did not agree with OLAM Livelihood Charter (2015), which reported that, OLAM

supports infrastructure development which include construction of feeder roads in rural farming communities in the study area to improve access to markets.

CONCLUSION

It was concluded that OLAM farming enterprises were impacting positively on income generation and sales and marketing of farm produce among rural farmers in the study area, but were not opening and developing their host rural communities through feeder roads construction.

RECOMMENDATIONS

From the findings of the study the following recommendations were made:

1. OLAM farming enterprises should encourage farmers by providing input to enhance their level of production in the area.
2. Nasarawa state government should persuade OLAM farming enterprise's managers to give back to their host rural communities in the study area by initiating feeder roads construction for enhanced transportation system.

REFERENCES

- Abubakar, M., & Fatima, A. (2020). Socio economic Impacts of large-scale Agricultural Investment's on Rural Communities.
- Ayinde, O.E. (2016). Risk analysis in Innovation system. A case study of production of Vitamin "A" Cassava variety among farmers in Nigeria. Addis-Ababa, Ethiopia: 5th International Conference of the African Association of Agricultural Economics.
- Chukwuka, O. (2016). Case study of OLAM out-grower scheme in Rukubi Rice Farming Communities, Nasarawa State, Nigeria. Report prepared for the SRAL 2 project, implemented by Michigan State University in Partnership with the Syngenta Foundation for Sustainable Agriculture, July, 2016.
- Akanbi, S.O., Alarape, W.I., & Olatunji, O.S. (2019). Economic Implication of contract farming on Small-scale Rice Farmers in Kwara State, Nigeria. Department of Agricultural Economics and Farm management, university of Ilorin, Nigeria. *Agro-search*, 19(2), 26-40 (2019).
- Nneka, M., Chidiebere, M., & God's Power, C. (2020). Farmers' preference and perception Influencing Decision to grow Bio-fortified pro-vitamin "A" Cassava, *Journal of Agriculture and food science*, Volume 18, Number 1, April, 2020, pp. 130-142.
- Umhlaba, Y. (2018). A study of an Agricultural Support services offered by the private and public sectors in south Africa, Belgian technical Cooperation (Mineo): pp.970-978.
- OLAM Livelihood Charter (2015). 8- Principles of 5 years Impact of OLAM Farms on Rural Communities.
- OLAM Annual Report. (2024). Annual Report on OLAM Agricultural Activities, Programmes and General Rating of the Agribusiness Company's Annual Performance.