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ROLES OF COOPERATIVES IN AGRICULTURAL DEVELOPMENT:

A STUDY OF SELECTED
LOCAL GOVERNMENT AREAS OF KOGI STATE,
DR EKPENI EKPE and I. C. IDIONG

Department of Agric Econs/Ext, University of Calabar, Calabar

ABSTRACT

This study investigates the roles of cooperatives in Agricultural Development in Nigeria, using Ankpa, Dekina, Ofu and Olamaboro Local Government Areas with (LGAs) of Kogi State as the study locations. Two major cooperatives with all their members were selected from each of the LGAs. In all, 230 cooperatives. Data were then collected from all the cooperators to investigate the influence of several demographic variables on efficient performance of the cooperatives, determine sources of cooperative fund, assess membership benefits and determine major problems of the cooperatives.

Observed frequencies indicated that 68.26% of the cooperators were between 13 and 50 years old; 59.57% of them attained various levels of formal education; and 67.40% had household size of about 2 - 8. The single variable chi-square revealed highly significant association between cooperative performance and cooperators age ($\chi^2 = 5.03, p < 0.5$); education level ($\chi^2 = 8.42, p < 0.01$); and household size ($\chi^2 = 27.83, p < 0.001$);

All the cooperatives studied had weak financial base; however, they had provided benefits (various inputs) to maize/cassava, yam/cassava and poultry farmers. Some of the major problems of the cooperators were untimely supply of fertilizers, lack of access to credit and absence of extension services, among others.

INTRODUCTION

Agriculture in Kogi State is dominated by small-scale farmers who have limited resources, with land holdings ranging from 0.5 hectares to 3.0 hectares. These small-scale

farmers rely on the use of primitive technologies in their attempt to satisfy the food and fibre needs of the State. In spite of their low production capacity, these farmers are still responsible for about 80 per cent of total State production.

The wide gap between food production and the demand for it necessitates increased farm-output. Presently, human population is said to be growing at a faster rate (3.5 per cent) annually than food increase (2.5 per cent), with the consequent food deficit (Amalu, 1998).

There is little consensus regarding the most appropriate strategy for increasing agricultural productivity. However, there is no doubt that when farmers pool their limited resources by forming cooperatives, they are more likely to have access to facilities like farm machineries, fertilizers, agrochemicals, improved seeds and credit which, as individuals, they cannot easily afford. Cooperative Societies can, therefore, enhance production level by increasing the total land area under cultivation and growing more varieties of improved crops. Cooperatives often take advantage of economies of scale, not only in production, but also in processing and marketing of agricultural produce.

Adegeye and Dittoh (1985) outlined the necessity of agricultural cooperatives to include, among others, the countering of the exploitative tendencies of middlemen in agricultural marketing operations; the education of members on modern agricultural practices and the provision of other vital information to them; the provision of farm inputs; obtaining production and consumption credit from financial institutions; and the provision of essential manufactured commodities to farmers in the rural areas.

A Cooperative organization, like any other business, requires finance of various categories on timely basis. By their nature cooperative are self-help organization; therefore, the initial capital should come from members. As organization engaged in production, marketing, distribution and so on cooperatives have need for financing fixed assets, working capital and other payment (Ihimodu, 1988). There are several ways by which cooperatives can raise fund for operation. These sources are broadly classified into two, namely internal and external sources. The internal sources of fund are those within the cooperative system itself. These funds are generated through members' deposits, thrift savings and ploughed back profits (Ijere, 1992). The external sources of fund include; loans from cooperative banks, special cooperative mortgage banks, government specialized banks and private commercial banks, as well as grants.

In view of the foregoing roles and benefits of cooperatives that qualify them as a strategy for increased food production, this study was conducted with the following objectives:

1. To identify the existing farmers' cooperatives and their membership (males and females) in selected local government areas of Kogi State;
2. To determine the influence of age, educational level, and household size of cooperators on efficient performance of the cooperatives;
3. To identify the sources of cooperative fund and assess the various benefits derived by members; and
4. To determine common problems of farmers' cooperatives in the study area.

METHODOLOGY

The Study Location

The study covered four Local Government Areas (LGAs) of Kogi State, namely; Ankpa, Dekina, Ofu and Olamaboro. Farming is a predominant occupation in the areas and various staple food crops such as yam, cassava, maize and millet are grown. Also livestock farming is appreciably practised, with major livestock such as goat, sheep and poultry being reared.

Various cooperative societies are also available in the area, including the eight listed in Table 1.

Data Collection and Sample Size

Data were obtained from a sample of 230 cooperative farmers (176 men and 54 women) drawn from the eight cooperatives. Two major cooperative societies with all their members were selected from each of the LGAs as follows: Ankpa, 63; Dekina, 51; Ofu, 56; and Olamaboro, 50; as can be gleaned from Table 1. The entire members of each cooperative society were, therefore, purposively selected as subsamples for the study.

Structured questionnaires were administered to the respondents to elicit information the following variables: gender, age, educational level, household size, types of existing cooperatives, membership of cooperatives, sources of cooperative fund, membership benefits, categories of beneficiaries, and common problems of cooperatives.

Data Analysis

Descriptive statistics, specifically frequency distribution and percentages, were used to present data generated for the study. These were used to determine the respondents' membership by gender in each of the eight cooperatives, respondents' demographic characteristics, types of membership benefits available and categories of beneficiaries, are common problems facing these cooperatives.

The single-variable chi-square test, a non-parametric statistic (Huck *et al.*, 1974) was then used to test the degree of association between the demographic characteristics of cooperators

and efficient performance of the cooperatives. That is, to determine the extent of influence of the various dichotomies of the demographic variables on the efficiency of cooperative performance.

RESULTS AND DISCUSSION

Types of Membership of Farmers' Cooperatives

The major farmers' cooperatives in the study areas are presented in Table 1. Their total membership of 230 comprised 176 males and 54 females. The highest male membership (30) was observed in Ojochenmi Multipurpose Cooperative Limited (MC) in Ankpa LGA. The highest female membership (11) was recorded in Efakwu ACS Limited, also in Dekina, while the lowest female membership (4) was observed in Odeto ACS Limited in Ofu LGA. The membership per LGA were 63 (Ankpa), 51 (Dekina), 56 (Ofu) and 50 (Olamaboro). Apart from Ojochenmi Multipurpose Cooperative Society, all the cooperatives included in the study were Agricultural-Cooperative Societies.

TABLE 1 HERE

Demographic Characteristics of Cooperators

For ease of Chi-square analysis, the six categories or ranges of each demographic variable given in Table 2 were reduced into dichotomies as shown in Table 3.

Age of Cooperators

Majority (68.26 per cent) of the cooperative members were between the age of 31 and 50 years (Table 2). None of them was below 21 nor above 60 years.

The Chi-square analysis (Table 3) revealed significant positive association between age of the cooperators and cooperative performance ($p < 0.05$). Cooperative Societies need strong and able-bodied men and women that can work hard to achieve the objectives of the societies.

Cooperators' Level of Education

The survey revealed that 40.43 per cent of the respondents did not have formal education, while the rest attained various levels of primary, secondary and tertiary education. Table 2 shows that 26.09 per cent of the cooperators either attempted or completed primary education, while only 3.04 per cent either attempted or completed postgraduate (University) education (Table 2).

The Chi-square result (Table 3) indicated a highly significant association ($p < 0.01$) between educational attainment and cooperative performance. A predominately illiterate membership cannot augur well for efficient cooperative organisation.

Household Size

One hundred and fifty-five (67.40 per cent) of the cooperators had household size ranging from less than three (that is, two members only) to eight members (Tables 2 and 3).

Cooperators' household size was highly associated ($p < 0.001$) with the performance of the cooperatives as shown in Table 3. Increase in household size provides a useful basis for farm labour in the rural communities. The ultimate aim of farmers' cooperatives is to increase farm output through adoption of recommended practices and increased farm holdings. Therefore, to achieve this, they need additional labour (and the household is a ready source of labour) to supplement hired or group labour necessary for timely, intensive and extensive farm operations.

Tables 2 and 3 Here

Cooperative Funds and Membership Benefits

An examination of the eight farmers' Cooperatives (Table 4) shows that their financial position was very weak for any meaningful business investment. Their share capital ranged from ₦2,200 to ₦3,600 for Ojede A.C.S Limited and Adupi A.C.S. Limited respectively. Their fixed deposits were generally meagre. Ade Acs Limited had no fixed deposit, while Efukwu

ACS Limited had a comparatively highest fixed deposit of ₦500. There was no cooperative society with entrance fees totaling up to ₦1,000. Agbeji A.C.S Limited had the least (₦400) while Ojehenmi M.C. Limited had the highest (₦750), followed by Adupi A.C.S. Limited. The Table Presents a similar picture in terms of the total funds derived from all the sources.

Table 5 shows the types of membership benefits and the categories of beneficiaries in the area. In spite of the weak financial base of each cooperative, various types of benefits were provided to different categories of cooperative farmers. About 33 per cent of the farmers were supplied with fertilizers while nearly 32 per cent of them were able to share knowledge on new farming practices among themselves. Maize/cassava farmers constituted the largest category (44.17%) of beneficiaries.

Table 4 and 5 here

Common Problems of Farmers' Cooperatives

Despite all these benefits, the cooperators highlighted some common problems that militated against Farmers' Cooperative societies in the study area (Table 6). Untimely supply of fertilizers topped the list of common problems, with 31.49 per cent citing it as major problem; this was followed by lack of access to bank loan or credit (20.37%) and lack of tractor hiring services (18.52%). About 15 per cent each viewed absence of extension worker and lack of nearby market for sale of farm produce as serious problems.

Each of the identified problems is known to have serious implications for agricultural output (Ekpe, 1997). For instance, maize and cassava can hardly be produced beyond subsistence level without the application of fertilizer. Secondly, in view of the timeliness required in most farming operations, there is great need for timely supply of all necessary inputs (fertilizers chemicals, and

labour). Other variables like tractor services, extension services credit and marketing facilities are no less important, if the farmers, whether as individual producer cooperatives, are to maximize output (Ekpe, 1994). They must, as a matter of deliberate policy, be made available to farmers when needed.

Table 6 here

RECOMMENDATIONS AND CONCLUSION

Attempt has been made in this study to assess the contributions made by farmers' cooperatives toward agricultural development in selected Local Government Areas (Ankp, Dekina, Ofu and Olamaboro) of Kogi State. It also highlighted some peculiar problems militating against these cooperatives. The study results have provided a basis for the following major conclusions:

1. A statistically significant degree of association was observed between each of the following demographic factors; age, educational level and household size and cooperative performance. This suggests that, efficient performance depends to some extent on the availability of physically active farming membership (based on age), with optimum level and size of education and household respectively.
2. The total fund derived from various sources by the cooperatives were generally meagre, suggesting a weak financial base for each association. Nevertheless, the cooperatives had provided membership benefits in form of farm inputs and technical knowledge to various categories of farmers such as maize/cassava, yam/cassava, cassava and poultry farmers in the area.
3. There were several common problems facing farmers' cooperators in the area, namely; untimely supply of fertilizers,

lack of access to agricultural credit, lack of tractor services, absence of extension services and lack of nearby market for sale of farm produce. Each of these problems is known to have serious implications for increased agricultural output.

Recommendations

1. Selection of cooperative membership should be based, among other criteria, on individuals' age and physical fitness, optimum levels and sizes of education and household respectively, to improve cooperative performance which ultimately enhances agricultural development.

2. The cooperatives should engage in revenue yielding ventures to improve their revenue base. They should also deposit their funds with Community banks from which they can borrow enough money to finance medium and large-scale agricultural projects.
3. Extension services should be provided on a regular basis, with a view to facilitating timely supply of agricultural inputs (fertilizers, chemicals, and tractor services).
4. In order to create favourable environments for efficient marketing of produce, more feeder roads should be constructed by government or its agencies to facilitate food transportation and distribution.

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