

Impacts of Farmer's Cooperative Societies in Marketing of Agricultural Produce. A Case Study of Loro Sub County, Oyam District

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Abstract: *The overall goal of the study was to determine how cooperative societies affected the marketing of agricultural goods in the Loro Sub County, Oyam district. The study's specific goals were to (a) characterize cooperative members' socioeconomic characteristics (b) gauge cooperative members' opinions of the organizations' performance (c) and identify the variables that affect the quantity of product that cooperative members in the Loro subcounty sell. A cross-sectional research methodology was adopted, and a sample of 160 farmers will be chosen using both basic random and purposeful selection methods. The structured questionnaire will be utilized for data gathering. It is necessary to use both quantitative and qualitative data analysis techniques. Excel software was used to evaluate the quantitative data. The majority of respondents are female and between the ages of 35 and 45. The study finds that radio programs, government extension agents, Nonprofits, and cooperatives are the main sources of extension services for farmers. According to the findings, the buyers, government extension agents, NGOs, and radio programs are the sources of market information for farmers. Therefore, the study suggests that the government develop strategies to give farmers and other important stakeholders more power. It also suggests that the government and all other actors involved implement comprehensive strategies and strengthen the enforcement of laws pertaining to agricultural disease control and management. Further technical studies are also advised in order to glean more scientific information and involve external partners.*

Keywords: cooperative societies, marketing and agricultural produce

BACKGROUND

When African farmers established the first Farmers' Organization in 1913, the cooperative movement in Uganda officially got underway. This was a reaction to the unfair marketing practices used against the local farmers. According to the colonial arrangement, native farmers would work on growing cash crops like cotton and coffee while Europeans and their Indian allies would focus on processing and marketing such produce. Due to the racial separation, Europeans and Indians instead of Africans had the opportunity to profit from the cultivation of these products. They suddenly understood that establishing a cooperative would give them a shared voice, a single goal, and significant negotiating strength (Mukasa, 1997).

Several Baganda farmers in the Midwest of Uganda, one of the few British colonies, advocated for the formation of cooperative as early as 1900 because the colonial authorities forced Africans to produce high-quality crops and sell them at low prices. Later, a few fake cooperatives were founded to carry out the principles of the Rochdale cooperative pioneers of 1844. As a result, the Cooperative Ordinance of 1946 and the Cooperative Societies Act of 1962 did nothing more than formalize the cooperatives that were already established. The government gave cooperative a monopoly status in agriculture marketing due to their remarkable performance in the immediate post-colonial period. This outstanding showing, nevertheless, was short-lived as political meddling and unrest began to appear in the 1970s. Members' participation in cooperative management declined as a result of political influence from outside the movement. Main cooperatives and unions accumulated debt and were unable to adequately serve their members. Yet, the existence of more than 3000 Savings and Credit Cooperatives (SACCOs) has resurrected the dream of Ugandan cooperatives. This optimism has made it necessary to gain a comprehensive understanding of where the cooperative movement stands in the nation. This essay addresses this issue by outlining the historical background of cooperatives in Uganda and by examining the structure, effectiveness, and current state of the cooperative movement. After independence in 1962, Uganda passed the first Cooperative Societies Act, which revised the 1946 Regulation in a number of ways. The country's cooperative movement was subsequently established and vigorously promoted by the government.

PROBLEM STATEMENT

Agriculture is the main means of subsistence for the population in developing nations, according to FAO (2002). According to UBOS (2008), it accounts for about 20% of Uganda's GDP, 48% of exports, and a sizable share of the country's raw material (Brenda, 2001). Even while data indicate that agriculture has continued to increase at a rate of 4%, somewhat faster than the 2.7% population growth, many farmers continue to experience difficulties in marketing their produce, which is typically handled through cooperative

groups. According to Abdallah (2002), it is the responsibility of the government to provide an appropriate organization for the sale of agricultural products, which is typically done by cooperative organizations. The paper notes that the Ugandan government has, since the early 2000s, supported the scale - up, conduct, and integration of co - operative in the development phase by: incorporating cooperative societies' relevance into pertinent expansion plans, techniques, and initiatives, such as: Poverty Eradication Action Plan, and programs; Agriculture Development Strategy and Investment plan; and Prosperity for all program. Collaborative laws and regulations should be amended, the warehouse receipt system and commodity exchange should be reformed, and area cooperation enterprises should be encouraged to provide extension services for agriculture and input supplies, produce marketing, savings and credit services; support to financial services cooperatives to increase capital provision.

SPECIFIC OBJECTIVES

The specific objectives of the study are;

- 1) To characterize using socioeconomic characteristics membership of Loro Cooperative Society
- 2) To assess member perception on the performance of the cooperative
- 3) To assess factors that determine members volume of produce sold through the cooperatives.

RESEARCH QUESTIONS

- 1) What are the socio-economic characteristics memberships of cooperatives in Loro Sub County?
- 2) What are the member's perceptions on performance of cooperatives in Loro Sub County?
- 3) What factors determines the members' volume of produce sold through cooperatives in Loro Sub County?

Methodology

Research Design

This study used descriptive and cross-sectional analysis using both qualitative and quantitative methods. Since the research required collecting views from respondents and much relevant data as possible, a combination of descriptive analytical research design based on results from the questionnaires and interviews were used. The selected research designs helped to generate explanations and descriptions of the phenomenon under study. Qualitative approaches included use of interviews and document review while quantitative approaches involved use of descriptive statistics that was generated with frequency tables, graphs, and Charts.

Target population.

The target population for this research was small holder's farmers who have come under a single unit that is Loro sub county cooperative society found in Oyam district of northern Uganda. The unit of analysis for this study was small holder farmers of the same cooperative since it enables capture of a range of social economic challenges under study at that level.

Sampling method

Purposive sampling was use at the different cooperative department levels whereby a researcher made a judgment as to which segment of the population should be included in the study. That segment that is believed to have the information about the various challenges the cooperative face in marketing of their produces. For example the administration department, transport department and the information departments. This provided a basis of data analysis.

Sample size determination

According tokrejcie and Morgan's (1970) formulas for the sample size selection, the value of the degree of accuracy was 0.05 and alpha value was also assumed to be 0.05. The sample size population as determined from the Krejcie and Morgan's table was therefore 50 individuals. These individuals were representatives of the entire population of the cooperative.

Data collection and tools.

A questionnaire consisting of both open-ended and closed-ended questions were in this study. Development of this data collection tool was intended to capture important information on the challenges the cooperative face in marketing of their produces. This method helped the researcher to collect data in a wider area and gave the respondents freedom and confidence to expression. The questionnaires were administered by the researcher to the individual department of the cooperative in the area.

Data analysis

Statistical analysis was performed using IBM SPSS software version 20. To compare proportions of present members volume of produce sold through the cooperative. The data was presented in tables and in bar graphs

Descriptive statistics were used to explain the socioeconomic characteristics membership of Loro sub county Cooperative Society. Descriptive statistics helped to assess member perception on the performance of the cooperative and the factors that determine member's volume of produce sold through the cooperatives.

RESULTS**Bio-data of respondents**

The findings on the socio-economic characteristics of the respondents were collected and presented in table 1 below;

Table 1: Bio-data of the respondents

Independent variables	Frequency (N)	Percentage (%)
Gender:		
Female	37	62
Male	23	38
Household size	Frequency (N)	Percentage (%)
1-3	24	40
4-6	18	30
6-10	8	12
10 and above	10	18
Age (years):	Frequency (N)	Percentage (%)
19-35	14	23
36-45	24	40
>45	22	37
Marital status:	Frequency (N)	Percentage (%)
Single	04	7
Married	49	81
Widows/widowers	06	10
Divorced	01	2
Educational level:	Frequency (N)	Percentage (%)
Primary	19	32
Secondary	23	38
Tertiary	18	30
Land owned (acre)	Frequency (N)	Percentage (%)
< 1 acre	24	40
one acre	12	20
2-3 acres	15	29
>3 acres	9	11
Experience (Years)	Frequency (N)	Percentage (%)
1-5	28	47
6-10	24	40
10 and above	8	13

Source; survey data, 2021

As presented in the table 1 above, majority (62%) of the banana farmers was females. This may be because of the high involvement of women in agricultural sector and contribution to food security than men. This result is related to finding of Sonaija (2007) which revealed that most rural households participate in farming and the agricultural sector is dominated by women and children.

Table 1 above gives an indication of the age of the respondents. The highest percentage is those who fall within the age bracket of 36 – 45 which accounts for 40% of the total number of the respondents. They were followed by those in the age bracket of 19 -35 representing 23% of the respondents and the respondent above 35 years were 37% of the total number of the respondents. It is clearly evident from table 4.1 that there are younger and energetic people taking up the banana farming sector and this is a good sign for the future of the industry and its marketing potential.

It is also evident in table 1, that 30% attained tertiary education followed by 30 respondents constituting 38% have received secondary education while the remaining (32%) have acquired either primary education or were complete illiterates. The education here only means formal education and not training in cultivation. There is less contribution of the high educated people in banana production. The findings agree with that of Proctor & Lucchese (2012) who stated that youth that are more educated aims at the white-collar jobs leaving other activities for the less educated people.

The findings on the marital status of the respondent shows that majority (81%) of the respondents were married, 7% were single, 10% widowed and 2% were divorced. This implies that married couples participate in the productive ventures to get capital to maintain their family. The result is similar to that of Amooti (2008) who stated that married people engages most in income earning activities because they are highly concerned about their family and have responsibility to take care of the family.

According to the study as presented in the table above, 47% of the respondents has experience of 1-5 years in farming. This is followed by 40% who had experience of 6 to 10 years in farming and 13% with experience of 10 years and above in banana farming. Land is one of the most important factors for smallholder farmers’ livelihoods. With enough land, farmers may have opportunities to grow a variety of food and cash crops which in turn increase food production and cash crops for sale. The average land size owned by farmers in the study area was 1.4 hectares. Furthermore, the study results show that about 40% of the respondents owned one hectare. The rest about 29% of the respondents owned between two and three hectares and only 11% own more than three hectares of land. It was further that those with less than 1 hectare accounted for 20%. This implies that land is not a problem for most of the small holder farmers, but their productivity efforts in order to enhance poverty alleviation and food security.

Source of agricultural credit to the farmers

Credits is always needed for the purchase of agricultural inputs as well as payment of the extra costs incurred in the farm. The sources of agricultural credits to the farmers is presented in the table below;

Table 2 Sources of agricultural credits in Loro Sub-County, Oyam district

Sources	Frequency (N)	Percentage (%)
Borrow from friends	14	18
Banks	38	48
Peer farmers	10	12
Farmers’ group	18	22
Total	80	100

Source; survey data, 2021

As presented in the table above, majority (48%) of the farmers reported that their main source of agricultural credit is the bank. 18% of the farmers agreed that their borrowed money from friends, 12% from peer farmers and 22% of the respondents agreed they borrows credit from farmers group. The finding agrees with that of Kalembe et al who reported bank as a financial institution provides financial support to more than 60% of the farmers in the developing countries.

Sources of market information to the farmers in Loro Sub-County

This was purposely examined to find out more about access of information on marketing of agricultural produce to small farmers. The detail was drafted in the table below.

Table 3: shows sources of information to small hold farmers in Loro sub-county

Source of information	Frequency	Percentage (%)
Fellow friends	8	10

Buyers	12	15
Extension worker	42	53
Radio	18	22
Total	80	100

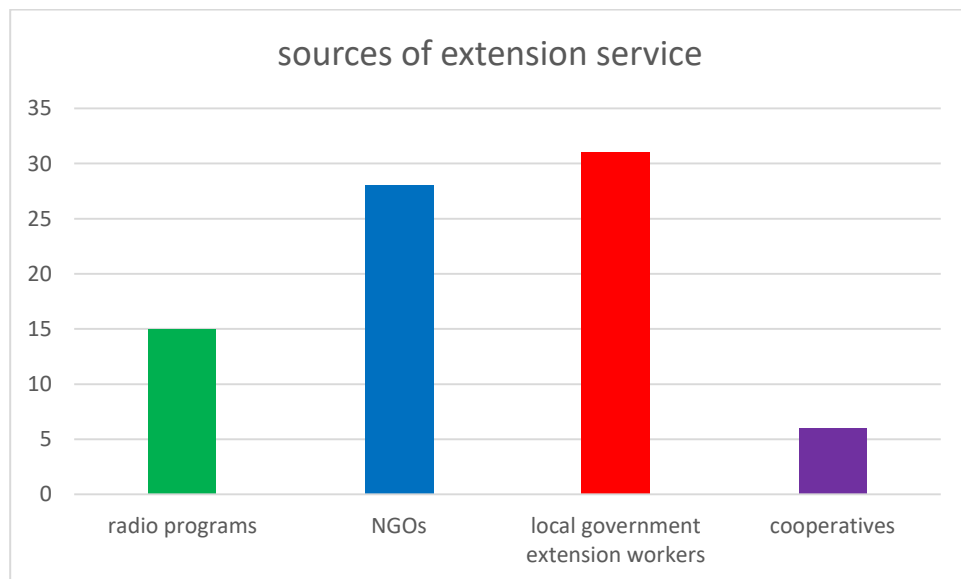
Source: survey data 2021

From Table 3 above, it implied that majority (53%) farmers in Loro sub-county get information on market for their produce from extension workers. An extension worker working with Project for Rehabilitating Livelihood in Northern Region (PRELNOR) said they always organize monthly visiting of farmers where they give to them a lot of guidance on how they should apply agrochemical, when they are to apply the agrochemicals and at what rate the agro chemicals has to be applied.

Sources of extension service to farmers in Loro sub-county

For proper productivity in the agricultural sector, agricultural extension service is an integral part of the successful agriculture. The sources of extension service to the farmers in Loro is presented in the figure below;

Figure 1: sources of agricultural extension service in Loro sub-county



Source; survey data, 2021

From the finding above, 15% of the respondents agreed that they access agricultural information through radio programs. 28% of the respondents access extension service through the available non-governmental organization that provides various information to the farmers. Majority of the respondents agreed that they receives extension service from the extension workers dedicated by the local government program and 7% of the extension workers access agricultural information from cooperatives. The findings is in line with that of Ozibwe et al (2000) who stated that most government in the developing countries is making effort to improve the agricultural services through dedicating of the extension workers to reach the local farmers.

Table 4: Marketing of agricultural produce

Independent variable	Frequency (N)	Percentage (%)
Land allocated		
<1 ace	13	17
1-3 acres	45	56
>3 acres	22	28
Total quantity sold	Frequency (N)	Percentage (%)
<1 ton	65	81
>1 ton	15	19
Quantity sold through cooperatives	Frequency (N)	Percentage (%)
< 1ton	35	44
>1ton	45	56
Quantity sold through open market	Frequency (N)	Percentage (%)
< 1 ton	48	60
>1 ton	32	40
Quantity sold through other outlets	Frequency (N)	Percentage (%)
<1 ton	19	24
1-2 tons	23	28
2 tons and above	38	48

Source; survey data, 2021

From the finding, 17% of the respondents agreed that less than 1 acre of land was allocated for farming while 56% of the small holder farmers agreed they cultivated between 1-3 acres of land and 28% of the respondents cultivated more than 3 acres of lands. The findings are in line with that of Nakiwala et al (2003) who stated that majority of the farmers in Africa participate in agriculture in small scale cultivating limited acres of land.

According to the findings, majority of the respondents (81%) has sold less than 1 ton and 19% of the respondents sold more than one ton of the produce. This may be because most of the farmers produce crops in low yield and quantity, below one ton.

The quantity of produce sold through other outlets accounted for less than 1 ton by 24% of the respondents, 1-2 tons by 28% of the respondents and 2 tons and above by 48% of the respondents. This means that majority of the respondents sell their produce through other outlets.

Conclusions

According to the data, married young men with a minimum of a secondary education and a tertiary degree were the ones that grew the majority of the crops. Most of the respondents had between one and five years of experience producing crops. The statistics show that men make up the majority of household heads, or 65%. According to the report, most farmers raise crops on plots of land measuring around 1 acre. According to the results, extension personnel, buyers, radios, and farmers themselves served as the farmers' primary sources of market information. Non-governmental organizations, radio programs, local government extension agents, and cooperatives were the sources of extension services for farmers. The majority of farmers allotted from one and three acres of land for crops, and more than two tons of products were sold through other channels and more than one ton through cooperatives.

Recommendations

The study suggests the following actions, from household to national, regional, and international levels, to address the situation.

In accordance with the efforts of other state and non-state actors, the government should develop strategies to equip farmers and other important stakeholders with the capacity, understanding, and skills to enhance crop production.

As well as addressing intersecting issues like gender inequality, HIV/AIDS, and ecological pollution, steps should be taken by a variety of actors to develop sectors like ignorance, carelessness, mindset, and lack of knowledge about the disease that were found

to contribute to the spread of the disease and its effects. The government and all actors involved should execute comprehensive strategies and strengthen the enforcement of legislations pertaining to marketing of agricultural produce and management including recruiting more extension officers and ensuring they are provided with a conducive working environment to enable them offer extension services effectively and efficiently

International partners should be called upon to join the government of Uganda as well as other stakeholders in the efforts to transfer technology and disseminate knowledge on the market research and modern agricultural production.

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