



PERFORMANCE OF COOPERATIVES AMONG FARMERS IN GOMBE STATE, NIGERIA

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ABSTRACT

The study examined the performance of farmers' cooperatives in Dukku local government area of Gombe State, Nigeria. Simple random sampling techniques was used in selecting 72 respondents from the study area. Data was collected using questionnaire. Sixty-three (63) questionnaires were returned and analyzed using both descriptive and inferential statistics. The result revealed that all the respondents were married, with majority (93.7%) being males. About 38.1% of the respondents fell within the age bracket of 41-50 and farming was their major occupation (77.8%), with 50.8% of the respondents having above 20 years' experience in farming. The study further showed that 45 of the respondents, representing 71.4% identified 'encouragement of self-help and cooperation' as the major benefit they derived as a result of their membership in cooperatives. Socio-economic factors such as age, farm size and income were found to be significant ($p < 0.05$) factors influencing farmers' access to cooperative loan. The study showed that 'unavailability of loan to give out to members' was the major constraint (88.9%) to loan accessibility by members of cooperatives. It was recommended that cooperative farmers be educated by extension workers on the need to pool the resources at their disposal and grant loans to members rather than wait for government loans.

Keywords: Socio-economic, Factors, Farmers, Access, Cooperative, Loans.

INTRODUCTION

In developing countries (Nigeria inclusive), agriculture dominates their economies. It has been established that about 70% of Nigeria's population is engaged in agriculture (Obasi and Agu, 2000), while 90% of Nigeria's total food production comes from small farms and 60% of the country's population earns their living from these small farms (Oluwatayo *et al.*, 2008; Izekor and Alufohai, 2010; Awotide *et al.*, 2011). However, insufficient credit has emerged as one of the most limiting factors of agricultural production. This is because capital is the most important input in agricultural production and its scarcity to small scale farmers would lead to a decline in food production, because these small farmers account for the bulk of agricultural produce of the nation (Oluwatayo, 2008; Izekor and Alufohai, 2010).

Access to credit by the rural people has the potential of making the difference between poverty and an economically secured life, as well as improving agricultural productivity (Zeller and Sharma, 1998). Farm credit are obtainable from either the formal sources which include banks and other government owned institutions for the informal sources which are self-help groups, money lenders, cooperative and non-government agencies (Quereshi *et al.*, 1996). In spite of the importance of loan in agricultural production, its acquisition is fraught with a number of problems such as credit ineffectiveness, institutional bottle necks, bureaucratic procedures, restriction of credit for specific purposes, lack of collateral, as well as disbursement lag (Onyenucheya and Ukoha, 2007; Nwachukwu *et al.*, 2007; Aja *et al.*, 2013).



In situations where acquisitions of loans for agricultural production are fraught with huge problems, cooperative represent a strong and viable economic alternative. Cooperative organizations offer the best machinery for reaching the masses of the small-scale farmers (Kareem *et al.*, 2012). Arua (2004) viewed cooperatives as important tools for improving the living conditions of farmers. Bhuyan (2007) stressed that rural cooperative or farmers' cooperative play important roles in mobilizing and distributing credit to the farmers.

Despite these numerous benefits of the cooperative societies, many cooperators seem not to gain or reap benefit substantially from being members of various cooperative societies in terms of capital formation and improvement of their welfare status. Insufficient credit has emerged as the most limiting set back of agricultural production. This is because, capital is the most important input in agricultural production and its scarcity to small scale farmers will lead to a decline in food production, as these small-scale farmers account for the bulk of agricultural produce of the nation (Oluwatayo, 2008; Izekor and Alufohai, 2010). The realization that farmers may have difficulties in accessing loans from cooperatives due to their inability to adequately mobilize resources informed the decision to embark on this research.

The findings of this research will create awareness to farmers on the benefits cooperative membership offer to members. Information generated from this research will guide policy makers at all levels of government in coming up with policies that have direct positive impact on the farmers and other members of rural societies by way of improving their standard of living. Findings of this research will also add to the existing literature on cooperatives and will help students who may wish to further research on cooperatives. The specific objectives of the study were to; i) identify the socio-economic characteristics of the respondents in the study area; ii) identify the roles of cooperative societies in improving productivity; iii) determine the socio-economic factors influencing farmers' access to cooperative loans; and iv) describe the constraints faced by farmers in accessing loans from cooperatives.

MATERIALS AND METHODS

The Study Area

Dukku Local Government Area is one of the eleven local government areas in Gombe State, Nigeria. It has a total land mass of about 3,815km and a population of 207,190 at the 2006 census. Their major ethnic group is Fulani with Fulfulde being spoken as the major language. The northeasterly line of equal latitude 14 ° N and longitude 14 ° E passes through the LGA about 6 km to the southeast of the town of Dukku. Dukku is endowed with diverse economic potential. The people of Dukku local government area are largely farmers, with other percentage engaged in trading. The arable crops grown in the area include: millet, maize, cowpea, sorghum, etc. The cash crops grown in Dukku include sesame, groundnut, bambara nut. The location of the area between coordinates of 10°N 49'N, 10° 46', 10.76°E gives it the advantage of wide range of tropical crops.

Sampling Procedure

Multi-stage sampling technique was employed. Six wards were randomly selected out of eleven wards in the study area. Three cooperative societies were purposively selected from each ward, giving a total of 18 cooperatives. The purposive selection was of functional cooperatives only. Four registered members were randomly selected from each cooperative. Thus, 72 structured questionnaires were distributed to 72 cooperative members, out of which 63 were retrieved and analyzed. Thus, 63 made the sample size.



Method of Data Analysis

Data for the research was analyzed using descriptive statistics; percentages and frequencies to achieve objective i, ii and iv while inferential statistics; Logit Regression Analysis was used to achieve objective iii.

Mathematical expression of the Logit Regression Analysis;

$$\text{LogY}(P/1-p) = b_0 + b_1X_1 + b_2X_2 + b_3X_3 \dots b_nX_n$$

Y = Loan accessibility

X₁ = Age

X₂ = Household size

X₃ = Education

X₄ = Farm size

X₅ = Years of experience in farming

X₆ = Income

b₀ = Constant

b₁...b_n = Coefficient.

RESULTS AND DISCUSSIONS

Socio-economic Characteristics of the Respondents

The result in Table 1 revealed that about 8% of the respondents belonged to the age bracket of 20-30. About 14% fell within the age bracket of 31-40, and about 38% which is the highest percentage were within the age bracket of 41-50 years, while the rest were 51-60 years (33%), 61-70 years (5%) and above 70 years (2%). The result implies that, majority of the respondents were in their active and productive years hence can carry-out arduous task. This study is in congruence with the findings of Toluwase (2013) who revealed that cooperative farmers within the age bracket of 41-50 years participate more and actively in cooperative activities, because they are fit enough in carrying-out strenuous activities. The study also revealed that, almost all (94%) were males, while 6% were females. The dominance of males in cooperatives may be due to religious or cultural backgrounds in the study area as certain religions and cultures discourage female from participating in outdoor activities such as farming, which is considered to be a masculine activity. Meanwhile the result showed that all (100%) the respondents were married. This is true because only 8% fell within the age bracket of 20-30 years, and in rural Fulani communities, it is a common practice to marry at an early age.



Table 1: Distribution of respondents based on socio-economic characteristics

Variables	Frequency	Percentage
Age (years)		
20 – 30	5	7.9
31 – 40	9	14.3
41 – 50	24	38.1
51 – 60	21	33.3
Above 60	4	6.4
Sex		
Male	59	93.7
Female	4	6.3
Marital status		
Married	63	100.0
Household size		
1 – 5	4	6.4
6 – 10	22	34.9
11 – 15	14	22.2
16 – 20	16	25.4
Above 20	7	11.1
Level of education		
Adult education	2	3.2
Qur'anic education	32	50.8
Secondary education	3	4.8
Tertiary education	26	41.2
Occupation		
Farming	49	77.8
Civil servant	14	22.2
Farming experience (Years)		
1 – 10	8	12.7
11 – 20	23	36.5
Above 20	32	50.8
Hectares		
1 – 5	22	34.9
6 – 10	24	38.1
11 – 15	8	12.7
16 – 20	6	9.5
Above 20	3	4.8
Annual farm income (₦)		
Less than 100,000	3	4.8
100,000 – 200,000	4	6.3
201,000 – 300,000	10	15.9
Above 300,000	46	73.0
Total	63	100.0

Source: Field survey, 2019

Cooperative Societies Respondents Registered in the Study Area

The result in Table 2 showed that of all the types of cooperative societies, Multipurpose Cooperative Societies (MPCS) and Crop Cooperative Societies were indicated to be the most popular in terms of membership size. More than half, 57%, of the respondents in the study area belonged to Farmers Multipurpose Cooperative Societies, followed by Food Crop Cooperative



Societies having about 43%. The higher membership size of the MPCS may be due to the fact that MPCS as a cooperative society engages in a wide range of activities, both crop and livestock productions, and even other artisan activities. This study bears a striking semblance to the opinion of Nweze (2001) who opined that Multipurpose Cooperative Societies are planned to cater for varying needs of the people engaged in agricultural activities.

Table 2: Distribution of Respondents according to the Cooperative Societies they registered with

Type of cooperative	Frequency	Percentage
Multipurpose Cooperative	36	57.1
Food crop	27	42.9
Total	63	100

Source: Field Survey, 2019

Membership Size of the Cooperative Societies of the Respondents

The Table 3 results showed that 19% had membership size of 1-20, 49% had membership size of 21-40, while 21% had size of 41-60 membership and 11% had above 60 people. This implies that about half of the respondents (49%) dominated cooperatives with membership size of 21-40. It also shows that the cooperatives virtually have small membership size as opposed to other cooperatives in other areas. Adefila (2014) reported large membership size of farmers' cooperative societies in Katsina State where he reported that 46.6% of the cooperatives, he surveyed had membership size of 101-200.

Table 3: Distribution of respondents based on membership size of the cooperatives

Membership size	Frequency	Percentage
1-20	12	19.1
21-40	31	49.2
41-60	13	20.6
Above 60	7	11.1
Total	63	100

Source: Field Survey, 2019

Types of Farming Activities by the Respondents

The results of Table 4 revealed that almost all (98.4%) the respondents engaged in crop production. About 11.1% of the respondents took livestock production as the farming activity performed by their cooperative, while 6.3% engaged in poultry production. Although 17.4% of the respondents indicated that engaged in other activities other than crop farming, these respondents indicated that they also took part in crop production, hence the existence of multiple responses in the result. This study corroborated with that Adefila (2014), where his investigation showed that majority of cooperative farmers engaged in cultivation of crops.

Table 4: Distribution of the respondents according to types of farming activities

Farming activity	*Frequency	Percentage
Crop farming	62	98.4
Livestock	7	11.1
Poultry	4	6.3
Total	73	115.8

*Multiple responses

Source: Field Survey, 2019



Distribution of the Respondents according to the loan Given

It can be understood from the result in Table 5, that many cooperative societies lack the knowledge as to what cooperative society is all about. Most of the cooperative members interviewed revealed that they formed their societies when the previous government in the state promised to target cooperative farmers when disbursing inputs for farming, and since that was what triggered the coming up of some of these societies, a number of them do not operate as self-help groups, which is the main concept of cooperatives, helping each other to achieve set objectives. Table 5 reveals that of the 9 respondents (14.3%) that applied for and accessed cash loan in the study area, 33.3% were given loan of less than ₦100,000, about 44.5% received between ₦100,000-200,000, about 11.1% were given between ₦201,000-300,000 and also about 11.1% received above ₦300,000

Table 5: Distribution of respondents based on loan given

Amount (₦)	Frequency	Percentage
Less than 100,000	3	33.3
100,000-200,000	4	44.5
201,000-300,000	1	11.1
Above 300,000	1	11.1
Total	9	100

Source: Field Survey, 2019

Distribution of Respondents according to Inputs Given

Table 6 results shows that only 6 (9.5%) of the respondents accessed inputs, through the cooperatives, 100% were given agro-chemicals, 100% were given fertilizer, 100% were given seeds, 100% were given generators, and 100% knapsack sprayers.

Table 6: Distribution of respondents according to farm inputs given

Type of farm input given	*Frequency	Percentage
Fertilizer	6	100
Seed	6	100
Generator	6	100
Knapsack sprayer	6	100
Agro-chemicals	6	100
Total	30	500

*Multiple responses

Source: Field Survey, 2019

Membership Benefits of Cooperative Societies in the Study Area

Table 7 results shows that 32.7% of the respondents identified 'increase in farm size' as one of the benefits they derived as a result of their membership in cooperatives, 49.2% agreed that membership of cooperative societies lead to increase in yield. Other benefits indicated by the respondents are: increase in income (47.6%), training on improved agricultural practices (36.5%), easy access to government support on agriculture (17.5%), better recognition by financial institution (9.5%), easy access to extension services (47.6%), and encouragement of self-help cooperation (71.4%). This result indicates that of all the benefits derived from being cooperative members, encouragement of self-help cooperation was identified to be the one benefit which majority of the respondents indicated. However, because the respondents enjoyed more than one benefit from their cooperative membership, multiple responses existed.

Table 7: Benefits derived from cooperative membership

Benefits	*Frequency	Percentage
Increase in farm size	20	31.7
Increase in yield	31	49.2
Increase in income	30	47.6
Training on improved agricultural practices	23	36.5
Easy access to government support on agric	11	17.5
Better recognition by financial institution	6	9.5
Easy access to extension services	30	47.6
Encouragement of self-help and cooperation	45	71.4
Total	196	311

*Multiple responses

Source: Field Survey, 2019

Socio-economic Factors Influencing Farmers' Access to Cooperative Loans

The result in Table 8 revealed that there was a significant relationship ($P < 0.05$) between age and access to loans, with a positive coefficient; 1.12909; this means that, older farmers were more likely to access loans. Also, farm size is significant at ($P < 0.05$) and positive indicating that farmers with larger farms acquire more loans; larger farms require more inputs which may result in the demand for more loans than smaller farms. This is in line with the findings of John & Charles (2015). Income level is also significant ($P < 0.05$) and positive, as expected, a large farm size translates into higher production and consequently larger output and income. The result implies that “richer” farmers in the study accessed loans more than the “poorer” ones.

Table 8: Socio-economic factors influencing farmers' access to cooperative loans

Loan accessibility	Coefficient	Std. Error	P</z/
Age	1.12909	0.068841	0.046**
Household size	1.016455	0.0761076	0.827
Education	1.14202	0.1611507	0.347
Farm size	0.8685733	0.0545609	0.025**
Farming experience	0.9125759	0.0576436	0.148
Level of income	1.000001	4.11e-07	0.004**
-cons	0.0015936	.0028264	0.000

Note: $P < 0.05$ level of significance; ** Means significant at 5% level of significance

Source: Field survey, 2019

Constraints to Accessing Cooperative Loans

As presented in Table 9, the most serious constraints faced by respondents in accessing cooperative loans were indicated as follows: unavailability of credit to give out to members (88.9%), managerial challenges (63.5%), delay in loan disbursement (6.3%), complicated procedures (14.3%), and loan diversion (31.7%), level of experience in farming (23.8%), and). This implies that majority of the respondents agreed that the very constraint in accessing cooperative loan is unavailability of fund to give to members. This study is in line with that of Ibitoye (2012) who found in his research on ‘Survey of the Performance of Agricultural Cooperative societies in Kogi State, Nigeria’, that unavailability of fund is a constraint to accessing cooperative loans by farmers.



Table 9: Distribution of respondents based on constraints to accessing cooperative loans

Constraints	*Frequency	Percentage	Ranking
Delay in loan disbursement	4	6.3	6 th
Complicated procedure	9	14.3	5 th
Loan diversion	20	31.7	3 rd
Level of experience in farming	15	23.8	4 th
Managerial challenges	40	63.5	2 nd
Unavailability of loan to give to members	56	88.9	1 st
Total	144	228.5	

*Multiple response

Source: Field Survey, 2019

CONCLUSION AND RECOMMENDATIONS

From the findings of the study, it can be concluded that, access to loan was very low. Although, not all cooperative members accessed loans, factors such as age, farm size and level of income had influence on farmers' access to cooperative loans. Unavailability of funds to be disbursed as loan was a major constraint. In light of the findings of the study, the following recommendations are made:

1. Extension workers should educate farmers on the principles of cooperatives; placing emphasis on cooperatives being self-help groups, rather than certificates for obtaining government interventions only, and encourage members to mobilize and pool the resources at their disposal either on a weekly or monthly basis so that loan can be granted to members at a designated time to enhance productivity, and consequently the level of income of the farmers.
2. The leadership of cooperatives should enlighten other members on the need for total adherence to the principles of cooperatives in order to fully harness all the benefits that cooperative membership offer.

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