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## Constraints to Performance of the Agricultural Cooperative Societies Services to Members in the Southern Agricultural Zone of Nasarawa State, Nigeria

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### **Abstract:**

*The study examined the constraints to performance of the cooperative society's services to members in the Southern Agricultural Zone of Nasarawa State, Nigeria. A multistage sampling procedure was used to draw 150 cooperative society members as study sample. A structured questionnaire was used to obtain information on the membership and activities of the cooperative societies. Data were analyzed with descriptive statistical tools. The descriptive statistics used were percentages, mean scores, ranking and Likert type scale. Results showed that 42.0% of the respondents were between the ages of 31– 40 years, 28.0% of the respondents were between the ages 41-50 years. The mean age of respondents was 40.5 years. Majority (68.0 %) of the respondents were married. About (87.3.0%) of the respondents had some form of formal education while only (12.7%) of the respondents had no formal education. The mean agricultural enterprise experience of respondents was 12.5 years. The mean annual income of farmers in the study area was N411, 300:00. The mean size of cooperative society membership in the study area was 25 members. The mean annual savings of members in the study area was SN383, 533:00. The core activities of the cooperative societies were savings mobilization and loan disbursement 69.3%, group farming activities 55.3% and farm inputs supply to members 44.7%. Members derived benefits of cooperative societies in saving their money 78.7%, easy access to credit 71.3% and in information sharing among members 67.3%. The major constraints faced were lack of government support/donor agencies with a mean score of 2.5 (very serious), poor supervision by government with a mean score of 2.3 (serious), poor transportation with a mean score of 2.3 (serious). It was therefore concluded that organize effort to mobilize rural farmers for cooperative spirit in the study area, and anywhere else, could assist to increase access to fund, farm inputs supply, dissemination of information and innovations, and reduce poverty. It was recommended that the cooperative members should be given the right incentives by government to intensify their participation in various cooperatives societies.*

**Keywords:** Cooperative, cooperative society, agricultural society

### **1. Introduction**

One of the major problems of agricultural development in Nigeria is that of developing appropriate organizations and institutions to mobilize and induce members of the rural sector to a greater productive effort (International cooperative alliance, ICA, (2010). Farmers are characterized by low income, low resources utilization, small farm holdings scattered nature of farmland, finds it difficult to pool their resource together to raise their farm income and substantially improve their standard of living. In situations like this cooperative represent a strong and viable economic alternative (ICA, 2010).

Cooperative is a business, voluntarily owned and controlled by its members patrons and operated for them, by them, on a non-profit basis. It is a business enterprise that aims at complete identity of the component factor of ownership control and use of services (Nweze, 2001). Cooperative is an autonomous association of persons unified voluntarily to meet their common economic, social and cultural needs through a jointly- owned and democratically controlled enterprise. (ICA, 2010). The performance of cooperative societies is highly dependent on its ability to tackle the following problems such as inadequate input supply, farm production technique, mechanization, processing, access to credit and extension services, storage facilities transportation, produce marketing and other social needs of the rural dwellers. This study, therefore undertakes the analysis of constraints to performance of the cooperative societies' services to members in the southern agricultural zone of Nassarwa State.

The objectives of the study include to:

- Identify the socio-economic characteristics of the respondents.
- Identify the core activities of the selected cooperative groups
- Ascertain the benefits derived by members of cooperatives in the study area.
- Ascertain the constraints to effective performance of cooperative societies in the study area

## 2. Methodology

The study was conducted in southern agricultural zone of Nasarawa State. This comprises five (5) local government areas namely; Lafia Doma, Awe, Keana and Obi. In collaboration with Nasarawa State ministry of commerce, industries and cooperatives, a total of 42 registered agriculture cooperatives were selected. A multistage random sampling procedure was used to select the respondents. In the first stage, three (3) local government areas was purposively selected out of the five local government area, based on the predominance of registered agricultural cooperative societies. At the second stage, five (5) cooperative societies were randomly selected from each of the three (3) selected local government area. A total of 15 cooperative societies group was used. In the third stage, a purposive sampling technique was used to select five (5) key officials and 5 members from each of the selected group or cooperative societies, this gave a total of one hundred and fifty (150) respondents used for the study. Data for the study were collected from both primary and secondary sources. The primary data were collected using a well-structured questionnaire. Data for the study were analysed using descriptive statistics such as frequency counts, mean scores and percentages.

Specifically, frequently distribution tables and percentages, were used for objectives 1, ii and iii, while A three – point Likert scale with responses options of very serious (3), serious (2) and not serious (1) was used to measure the degree of performance of the cooperative societies

## 3. Results and Discussion

### 3.1. Socio-Economic Characteristics of the Respondents

#### 3.1.1. Age Distribution

Results in Table 1 show that 42.0% of the respondents were aged between 31– 40 years, 28.0% of the respondents were aged between 41-50 years, and 16.0% of the respondents were aged between 21-30 years while 13.0% of the respondents were above 50 years. The mean age of the respondents was 40.5 years. This implies that respondents were relatively young and energetic farmers. This agrees with Nnadozie et al., (2015). Nigerian agricultural cooperatives and rural development IVO LGA, Ebonyi State, Nigeria

#### 3.2. Sex of Respondents

Results in Table 1 reveal that majority (79.3%) of the respondents were males while the remaining 20.7 % of the respondents were females. The high percentage of male Cooperative members is probably due to the fact that agricultural activities are generally strenuous and women may not be fit enough to carry out the operations hence the high gender disparity.

#### 3.3. Level of Education

The results further reveal that majority (87.3.0%) of the respondents had some form of formal education while only (12.7%) of the respondents had no formal education. This shows that education could be a significant indicator that can effectively mobilize cooperative group to attract government presence to assist the group. Education of members could also help to organize cooperative societies for an effective and efficient managements, which could help to bring back the already loss of trust and confidence in leaders. Udensi et al., (2014) revealed that education of members of a cooperative could lead to capacity building of members in areas of bookkeeping, recording, general administration of the group, as well as improved welfare packages for Members.

#### 3.4. Household Size

Results show that 48% of the respondents had household size ranging from 6 – 10 persons, 24.7% of the respondents had household size of 1-5 persons, and 20.0% of the respondents had household size ranged from 11 – 15 persons. The mean household size of respondents in the study area was 9 persons. This implies that respondents had relatively large family size. Therefore, respondents are expected to be engaged in reasonable occupation to be able to fend for their families.

#### 3.5. Marital Status

The marital distributions of respondents show that majorities (68 %) of the respondents were married, 12.0 % were single, 7.3% were widowed and the remaining 1.3 % of the respondents was divorced. Marriage was generally accepted as a symbol of maturity and status of responsibility. Respondents who are married are more likely to participate in agricultural activities than unmarried ones. According to Kimaru et al., (2015), married farmers normally opt to participate in agricultural activities in order to fulfill their daily family socio-economic needs.

### 3.6. Agricultural Enterprise Experience

Results in Table 1 also show that about 45.4 % of the respondents had agricultural enterprise experience of between 1-10 years, 28.0% of the respondents had agricultural enterprise experience of between 11-20 years while 26.6% of the respondents had enterprise experience of more than 20 years, the mean years of agricultural enterprise experience was 12.5 years. This implies that most respondents had some level of experience in agricultural enterprises in the study area. Agricultural enterprise experience is very important because it determines the ability of the farmers to make effective management decision on the enterprise. This also implies that there is likelihood of high productivity and good decision making in agricultural enterprises which in turn increase output, income and better standard of living.

### 3.7. Annual Income

The results on farm income showed that majority (54.7 %) of the respondents had between N1,000 – N400,000 as annual income, 37.3% of the respondents had between N401,000 – N800,000:00 while 6.0 % of the respondents had more than N1,200,000 annual income. The mean annual income of the respondents was N411, 300:00. This shows a very low-income level of members of the cooperative society implying that cooperative members in the study area were low income earners operating at the subsistence level.

### 3.8. Duration of Cooperative Membership

Results in Table 1 show that 40.0% of the respondents had been in co-operative business for 1-5 years, 36.7% of the respondents had spent 6-10 years, and 14.0% of the respondent had been in co-operative business for 11-15 years. The mean years of cooperative membership was 5 years. This implies that many of the Farmers Cooperatives Societies in the study area have not been in existence long enough. Years of farmers' cooperatives society's existence is a strong factor that can be used to determine their level of maturity in fulfilling their core mandates or functions to their members.

### 3.9. Membership Size of Cooperative

Results show that majority (74.0%) of the cooperative societies had 20-40 members, 20.0% of the cooperative societies had less than 20 members. The mean size of cooperative society membership in the study area was 25 members. This implies membership strength in the study was low. Membership strength has been viewed as one of the factors that influence the performance of any cooperative societies. This implies that reasonable membership strength has great effect on the performance of the cooperative societies, because this will help them to pool their resources together to be able to access more resources which might be difficult for them to get individually because of the financial implications. These resources can then be used for their farming activities which might invariably enhance their productivity.

### 3.10. Total Annual Savings of Members

Results in Table 1 show that majority (81.3%) of the respondents saved between 1,000-500,000 naira, 17.3% of the respondents saved between 501,000-1,000,000 naira while 0.7% of the respondents saved between 1,001,000-1,500,000 naira and 1,501,000-2,000,000 naira. The mean annual savings of members in the study area was 383,533 naira. The annual savings of cooperative members in the study area was low. This indicates that there is still need for improvement in the cooperators saving attitude in order to increase the volume of funds available for funding of members' projects. This could also be attributed to the size of agricultural enterprise(s) that one has.

Variable	Frequency	Percentage (%)	Mean
Age			
< 21 years	1	0.7	40.5 years
21-30 years	24	16.0	
31-40 years	63	42.0	
41-50 years	42	28.0	
>50 years	20	13.0	
Sex			
Female	31	20.7	
Male	119	79.3	
Marital status			
Single	18	12.0	
Married	119	79.3	
Divorced/separated	2	1.3	
Widowed	11	7.3	
Level of education			
Non-formal education	19	12.7	
Primary school education	15	10.0	
Secondary school education	41	27.3	
ND/NCE education	39	26.0	
HND/DEGREE	34	22.7	
MSc/Phd	2	1.3	

Variable	Frequency	Percentage (%)	Mean
Enterprise experience			
1-10	68	45.4	
11-20	42	28.0	
Above 20 years	40	26.6	12.5 years
Annual income {in naira (₦)}			
1,000 – 400,000	82	54.7	
401,000 – 800,000	56	37.3	
801,000 – 1,200,000	3	2.0	
>1,200,000	9	6.0	₦411,300
Major agric enterprises			
Crop production	71	47.3	
Mixed farming	48	32.0	
Livestock production	15	10.0	
Agric produce marketing	9	6.0	
Agro processing	3	2.0	
Farm input marketing	4	2.7	
Duration of cooperative membership			
1-5 years	94	62.7	
6-10 years	42	28.0	
11-15 years	8	5.3	
Above 15 years	6	4	5 years
Amount of annual Cooperative savings (N)			
1,000-500,000	122	81.3	
501,000-1,000,000	20	17.3	
1,001,000-1,500,000	1	0.7	
1,501,000-2,000,000	1	0.7	N383,533:00 naira
Total	150	100.0	

Table 1: Distribution of Respondents Based on Socio-Economic Characteristics (N=150)

Source: Field Survey (2018). N= Sample Size

### 3.11. Core Activities of the Cooperative

Results in Table 2 show that the core activities of the cooperative societies were savings mobilization and loan disbursement (69.3%), group farming activities (55.3%), farm inputs supply to members (44.7%), processing of members' farm produce (35.3%), marketing of members' farm produce (29.3%), provision of storage facilities for members (25.3%), transport services for members (21.3%) provision of extension services/training workshop (12.0%) and sales of essential commodities to members (11.3%). The results show that cooperatives provided loans to members, farm inputs were easily obtained because members had easy access to credit. Consistent or regular provision of loans to members, easy access to farm inputs and easy access to credit will help boost farm productivity of members.

Core Activities of the Cooperative Groups	Frequency	Percentage (%)
Savings mobilization and loan disbursement	104	69.3
Group farming activities	83	55.3
Farm inputs supply to members	69	44.7
Processing of members' farm produce	53	35.3
Marketing of members' farm produce	44	29.3
Provision of storage facilities for members	38	25.3
Transport services for members	32	21.3
Provision of extension services/training workshop	18	12.0
Sales of essential commodities to members	17	11.3

Table 2: Core Activities of the Cooperative Groups

Source: Field Survey 2018

Multiple Responses

### 3.12. Benefits Derived from Cooperatives by Members

Results in Table 4 show that members of cooperative societies derived benefits in the following areas: Opportunity for savings (28.7%), easy access to credit (25.3%), information sharing among members (17.3%), interest/dividend from savings (12.0%), marketing of members' products (12.0%), benefits from government interventions (8.0%), education of members through adult education/seminar/workshop (8.0%), provision of production inputs/equipment (6.7%), provision of processing/storage/transport facilities (3.3%) and socialization/networking

(1.3%). The major benefits derived by cooperative members were avenue for savings, easy access to credit and information sharing among members.

Benefit	Frequency	Percentage (%)	Rank
Avenue for savings	118	78.7	1 <sup>st</sup>
Easy access to credit	107	71.3	2 <sup>nd</sup>
Information sharing among members	101	67.3	3 <sup>rd</sup>
Interest/dividend from savings	18	12.0	4 <sup>th</sup>
Marketing of members' products	18	12.0	4 <sup>th</sup>
Benefitting from government interventions	12	8.0	5 <sup>th</sup>
Education of members through adult education/seminar/workshop	12	8.0	5 <sup>th</sup>
Provision of production inputs/equipment	10	6.7	6 <sup>th</sup>
Provision of processing/storage/transport facilities	5	3.3	7 <sup>th</sup>
Socialization/networking	2	1.3	8 <sup>th</sup>

Table 3: Benefits Derived from Cooperative Society by Respondents

Source: Field Survey 2018

Multiple Responses

### 3.13. Constraints to Effective Performance of Agricultural Cooperative Societies

The results in Table 5 suggest that cooperative societies in the study area were faced with a number of constraints. The most serious constraints faced were lack of government support/donor agencies with (x=2.5) poor supervision by government with (x=2.3), poor transportation with (x=2.3) and lack of storage and processing facilities with (x=2.2). Other constraints faced were inadequate finance/low savings with (x=1.9), high level of illiteracy among members with (x=1.7), high interest rate on loans with (x=1.7), lack of cooperative education/awareness with (x=1.6), small membership size with (x=1.6), lack of gender equity in leadership with (x=1.5), conflicts of interest among members with (x=1.5), poor record keeping with (x=1.5), default in repayment loans with (x=1.5), lack of commitment by members with (x=1.4), poor service delivery to members with (x=1.4), lack of effective leadership with (x=1.3) and corruption among officials with (x=1.2). David (2016) identified the constraints to effective performance of Agricultural co-operatives in Akwa North Local Government Area of Anambra State, Nigeria to include: inadequate capital accumulation, unavailability of loan, mis-management by leaders, lack of skilled personal, high rate of loan default, high illiterate level of member, corrupt and fraudulent officers, lack of co-operative and technical education and inadequate infrastructural facilities.

Constraint	Mean score
lack of government support/donor agencies	2.5
poor supervision by government	2.3
poor transportation facilities	2.3
lack of storage and processing facilities	2.2
inadequate finance/low savings	1.9
high level of illiteracy among members	1.7
high interest rate on loans	1.7
lack of cooperative education/awareness	1.6
small membership size	1.6
lack of gender equity in leadership	1.5
conflicts of interest among members	1.5
poor record keeping	1.5
default in repayment loans	1.5
lack of commitment by members	1.4
poor service delivery to members	1.4
lack of effective leadership	1.3
corruption among officials	1.2

Table 4: Constraints to the Effective Performance of Agricultural Cooperative Societies

MS = Mean Score

Source: Field Survey (2018)

## 4. Conclusion and Recommendations

Results revealed that the core activities of the cooperative societies were savings mobilization and loan disbursement 69.3%, group farming activities 55.3% and farm inputs supply to members 44.7%. Results also revealed that members of cooperative societies derived benefits in the following: avenue for savings 78.7%, easy access to credit 71.3% and information sharing among members 67.3%. However, the major constraints faced by Co-operators were lack of

government support/donor agencies with a mean score of 2.5 (very serious), poor supervision by government with a mean score of 2.3 (serious) and poor transportation with a mean score of 2.3 (serious).

It was recommended that the cooperative members should be given the right incentives by government to intensify their participation in various cooperatives societies.

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