

# THE INTERNATIONAL JOURNAL OF HUMANITIES & SOCIAL STUDIES

## Assessment of Performance of Some Selected Cooperatives in Marketing of Agricultural Produce in Imo State, Nigeria

**Ezeji, Desmond Ekele**

Lecturer, Department of Cooperative Economics and Management,  
Imo State Polytechnic, Omuma, Nigeria

**Attah, Chinyere Cecilia**

Lecturer, Department of Cooperative Economics and Management,  
Anambra State Polytechnic, Mgbakwu, Nigeria

**Chijioke - Okoro, Grace Chioma**

Lecturer, Department of Cooperative Economics and Management,  
Imo State Polytechnic, Omuma, Nigeria

### **Abstract:**

*This study assessed the performance of some selected cooperatives in marketing of agricultural produce in Imo State, so as to investigate their contributions towards food provision and agricultural development. The socio-economic profile of cooperative societies, extent of marketing different types of agricultural produce and extent use of marketing channels of agricultural produce were ascertained. The 98 cooperatives in the area of agriculture were purposively selected for the study while simple random sampling technique was used and the structured questionnaire were duly completed and returned. The data was analyzed and hypothesis was tested with multiple regression analysis. The results revealed that: majority of cooperative societies about 82% are prudent in handling cost; long years of marketing experience indicate sustainability; 76% of the cooperative societies market through wholesaling, private shops and supermarkets channels; more than two-third of the cooperative societies earn between N501,000.00 to N1,000,000.00 as progressive income; grand mean of 2.67 indicates the extent of marketing different types of agricultural produce is low; grand mean of 2.94 of extent use of marketing channels are not effective and  $F$  statistics of 114.681 indicates that there is a significant effect of socio-economic profile of the cooperative societies on their income. It recommends that: The cooperative societies should increase their channel of marketing agricultural produce direct to final consumers to earn more income, in order to make the extent of marketing channels effective the cooperative societies should increase their marketing activities of the agricultural produce, cooperative societies should concentrate on the agricultural produce that gives them the best return on investment and government intervention is necessary in the area of building silos, constructing quality rural roads for accessibility of agricultural produce cum consideration of cooperatives for financial support.*

**Keywords:** Cooperative, agricultural produce, marketing channel, agriculture

### **1. Introduction**

There is a growing advocacy for achieving not only sustainable food security in Nigeria but expanding market for farm produce and a lot of efforts have been directed at finding appropriate institutions for organizing millions of small-scale farmers towards achieving such. Cooperative is one of organized business with the objective of providing more than one service to them. Mande & Lawal (2014) points out that, cooperative promotes integration of economic activities such as mobilizing capital to provide credit and inputs of production to members. It may also assist members with storage, processing and marketing of produce. The range of services provided by the cooperative is determined by the members and the society's capability (Adeleye, 2012). The need for effective marketing of farm produce has never been pressing as it is today. This is as a result of the current inflation and economic recession plaguing both the western and the third world countries alike. The developing countries are worse because of the dual nature of their problem. That is, the inefficient production method and defective distribution of what has been produced (Onoh, 2007).

According to Okechukwu (2001) production and marketing are inter-related that any defect in one would readily affect the performance of the other. To many scholars even recently, marketing development still remains neglected. It still remains difficult given the country's economic philosophy. Cooperatives are therefore geared toward assembling, processing, packaging and grading (value chain) for marketing of farm produce. It is as a result of growing need of marketing as (Paridhi & Mishra, 2014) notes that the need for marketing arose and grew as the society moved from an economy of agriculture and self-sufficiency to an economy built around specialization, industrialization and urbanization. Cooperative is therefore set up to add value to their member's products which then guarantee high price as much as possible and to increase return on the member's output. Umehali, (2004) stresses that cooperative generally sell

agricultural products. The cooperative offers its members an improved bargaining power in regards to services such as transportation which is capable of affecting a better sale. The better the sale and service, the more farmers will be keen to join. Bob-Igwe, (2006) recognizes the vitality of cooperative as it is possible to maintain services such as storage, bulk transportation, extend credit, market survey, cooperative education, which the single farmer is generally unable to achieve.

### 1.1. Statement of the Problem

Lack of proper organization of cooperative societies, low income of cooperative members and inability to transform the agricultural sector to become viable is a matter of concern. Sometimes people believe that organizing cooperatives automatically will solve business challenges facing individual farm households. In reality, (Krisiinaswami & Kulandaiswamy, 2000) notes that cooperative is subject to the same economic forces, legal restrictions in international relations that other businesses face. Uzoka (2008) observes that cooperatives are facing different constraints among which finance is the major factor militating against distribution of agricultural produces from the area of abundance to area of need in the country. Nchuchuwe & Adejuwon (2012) supports this view further by stating that agricultural production in Nigeria is faced with numerous challenges and they include: inadequate land tenure system, lack of basic infrastructure such as good road network, regular electricity supply, good drinking water and hospital. However, despite small farm holding of cooperators and lack of mechanization in agricultural sector by the state and federal government, cooperatives are still making effort to survive in Nigeria.

Akubuilu (2008) stipulates that the agricultural sector has a key role to play in the growth and development of the Nigeria economy. The challenge is the development of viable cooperatives that can assist in transforming agricultural sector through effective distribution process and hence ensure food security. This obligation poses a lot of challenges to cooperative ranging from non-application of the marketing concept by the members, production problems, and structure of the market and marketing systems to poor setting of business unit and lack of technological innovations in the marketing processes. For the performance of cooperatives in Imo State in the marketing of farm produce to improve, the capitalization base, sources of farm produce and marketing channels must be considered so as to achieve efficiency and ultimately higher returns on farm produce.

### 1.2. Objectives of the Study

The broad objective of the study is to assess the performance of cooperatives in marketing farm produce in Imo State. The specific objectives are to;

- Ascertain the socio-economic profile of cooperatives,
- Determine the extent of marketing different types of agricultural produce,
- Ascertain the extent use of marketing channels of the agricultural produce in imo state.

### 1.3. Hypothesis

- $H_0$ : Socio-economic profile of the cooperative societies has no significant effect on their income.

### 1.4. Justification of the Study

To many aspiring to join cooperative in marketing farm produce, this study can form a guide to their search for potential source of knowledge for effective cooperative farm business. Prospective cooperators will find this study interesting on how marketing of farm produce could be organized through cooperatives. Cooperatives into farm business can increase their business by concentrating on farm produce they sell most with more income which brings in immense benefit and assist boost their knowledge. This is an elaborate analysis of the performance of cooperatives in marketing farm produce. When consulted it would provide situational information on cooperative in marketing of farm produce in Imo State. This study will be of great help to policy makers and administrators concerned with finding solutions to cooperatives in marketing especially in the area of agriculture. Finally, this study will serve as a bench mark for further studies.

## 2. Review of Related Literature and Conceptual Framework

This study assesses the performance of some selected cooperatives in marketing of farm produce in Imo State. To ascertain their socio-economic profile, determine the extent of marketing different types agricultural produce and ascertain the extent of effective use of marketing channels of the farm produce as it collectively contributes toward food security and agricultural development.

### 2.1. Cooperative Enterprise Leading to Agricultural Development

Cooperative simply put, is an organization of individuals who have voluntarily come together to contribute toward solving a common socio-economic problem, ensure food security and agricultural development which they cannot achieve on individual basis, reaping the benefit as well as bearing the risk collectively. ICA (1995) defines cooperative as an autonomous association of persons united voluntary to meet their economic, social and cultural needs and aspiration through a jointly owned and democratically controlled enterprise. It is however important to emphasize that only the existence of cooperative principles and registration under the cooperative law; distinguish a cooperative society from other types of organization. From the point of cost effectiveness, (Olaleye, 2007) describes cooperative society as a business owned and controlled by its members and operates for them and by them on a non-profit or cost basis. It is a type

of functional economic adoption to a given set of economic circumstance especially agriculture made primarily in response to a desire on the participants to maximize individual's economic advantage in agricultural activities.

Social and economic changes have continually provided impetus for reinvigorating; reinventing and recreating cooperative mode worldwide. Haris & Fulton (2000) defines cooperative as a type of business formed by people who share a common goal and who are willing to work together to meet their goals. From the above, cooperative provided key features such as existing to meet needs of members, services provided by the cooperative are used by the members; cooperatives are owned by the members and rely on member investment to meet the bulk of their capital requirements. On the account of Ugwuanyi (2006) defines cooperative as business enterprise or organization owned and controlled by the members (member - patron) with the aim of rendering services for the material benefit of the members. The cooperative business organizations here are mainly in agricultural sector of the economy ranging from production to value chain and from marketing to revenue (income).

In a nutshell, the business of cooperative succinctly depends on knowledge and effective application of the principles of agricultural economics. As a promotion of socio-economic interest (Plunkett & Kingswell (2001) observes that cooperative is a voluntary association of persons who work together to promote their economic interest. Cooperative is an association of persons usually of limited means, who have voluntarily joined together, to achieve a common economic objective through the formation of a democratically controlled business organization, making equitable contributions to the capital and other inputs required and accepting a fair risk and benefits of undertaking in which members actively participate (ILO, 2000). From the foregoing, cooperative helps in stabilization of prices including prices of farm produce. In Agriculture, cooperatives encourage members to engage in joint cultivation for food and cash crops. The membership of cooperative in agriculture affords a farmer the opportunity to use modern farm, agricultural tools and implements which individually cannot afford.

### *2.2. Imperative of Marketing of Farm Produce through Cooperatives for Food Security*

According to Adekanye (1998) marketing is the sum total of all business activities involved in the movement of commodities from production to consumption. This applies to both industrial products and agricultural commodities. Marketing is also the performance of business activities that direct the flows of goods and services from producers to consumers or users. Paridhi & Mishra (2014) argues that the need for marketing arose and grew as the society moved from an economy of agriculture and self-sufficiency to an economy built around specialization, industrialization and urbanization. As the society grows, the exchange system assumes a more complicated dimension in view of the fact that distance between the producer and the consumer is widening.

*Marketing farm produce through cooperative is an important task that the agricultural market desires in the face of food shortage. This task is essential to the producers of the farm produce that it aims at eliminating the chain of middlemen operating between the ultimate consumer and them, thus securing the maximum price for their producer.* Cooperatives in addition to farm production functions perform marketing functions wherever they are established. DTI (2012) affirms that experiences the world over have shown that majority of countries whose economies are progressing today have 'a vibrant and a dynamic cooperative sector, contributing substantially to the growth of their economies.' According to Umehali (2004) marketing functions of cooperative are essential services or economic activities carried out in satisfaction of the wants of the consumers. Cooperatives engage in buying which offers farm produce at significantly reduced prices on the condition that a minimum number of members would make the purchase.

Selling involves that cooperatives create agricultural produce demand; finding buyers, negotiation of price, terms of sale and transfer of title. Cooperatives engage in transportation of farm produce from the area of abundance to area of needs which will guarantee high price. There is an important marketing function which involves holding and preserving farm produce from the time they are produced until they are needed for consumption. Storage of farm produce therefore assist from the time of production to the time of consumption, ensures a continuous flow of farm produce in the market. Storage protects the quality of perishable and semi-perishable farm produce from deterioration (Okechukwu, 2003). Some of the farm produce for example yam has a seasonal demand, to cope with this demand, production on a continuous basis and storage become necessary. It helps in the stabilization of prices by adjusting demand and supply. Storage is necessary for some period for performance of other marketing functions. Storage provides employment and income through price advantages (Demeke, 2007).

In cooperative, grading ensures the classification of farm produce for marketing according to values added. deficit of cooperative is financed or a surplus is used. Cooperative bears the risk from production to marketing thereby changing form of utility and brings about added value to the agricultural produce. Also, there is new trend of constant marketing information which guarantees a constant flow of information; results from research, market situations and on government policies to facilitate business. Umehali (2004) further states the functions and activities of cooperatives in marketing farm produce as organized for collective marketing of member produce. Some cooperatives are multi-purpose in nature and handling multiple activities respectively. Cooperative is set up in order to market and sell the surplus of its members, being such a surplus as they cannot consume themselves and general services in agricultural production.

### *2.3. Effective Marketing Channels of Farm Produce for Food Security*

A channel of distribution or marketing channel is one of the tools in marketing which cooperatives adopt. Onoh (2007) stipulates that marketing channel is the route taken by the commodities as it moves from the producer to the ultimate consumer or industrial user. The traditional channel of distribution is that the commodities move from the point of production to the farm gate, middle men, commissioned agent and non-commissioned agent, cooperative marketing

agency to the wholesaler, the retailer and then the ultimate consumer. There are usually four channels in the marketing and distribution of farm produce. According to Okeke (2001) the major channels of distribution of farm produce in Nigeria are: farmer to wholesaler to retailer to consumer; farmer to assembler to retailer to consumer; farmer to agent to wholesaler to consumer; farmer to retailer to consumer; farmer to consumer.

For instance, the fish marketing channel starts with a farmer and end with the ultimate consumer involving a number of intermediaries in between. The intermediaries are fish traders, wholesalers (cold room), restaurants/eateries/fish kebab (barbecue) sellers and meat shops. The marketing intermediaries provide services of head loading, processing, preservation, packaging and transporting of fishes and these activities results in cost addition at every stage of marketing (Obodoechi & Amujielo, 2017). However, in the present agricultural transition, it is possible farmers take any channel that suite their commodities at any point in time. This is to enable them to achieve optimal goal of better return on investment for food security.

#### *2.4. Impact of Marketing Strategy in Cooperatives*

A good marketing strategy helps the cooperative define its mission and business objectives and outlines the steps the cooperative needs to take to achieve these objectives. According to Dirisu & Kadiri (2019) a marketing strategy is a coherent marketing direction that is the fundamental marketing logic by which the business unit intends to achieve its marketing objectives. Every marketing strategy of a cooperative must contain the cooperative value proposition, key cooperative principles, information on the member customer and member employee elements. Investopedia (2018) acknowledges marketing strategy as a business overall game plan for reaching out to people and turning them into buyers of the products or service that the business provides. A cooperative's marketing strategy should have a longer lifespan than the individual member business unit market plan as the strategy is where the cooperative value propositions and the key cooperative principles elements reside.

Ogbemi & Ekenimoh (2013) opines that a marketing strategy is the process that can allow an organization to concentrate its (always limited) resources on the greatest opportunities to increase produce, sales and achieve a sustainable competitive advantage in an existing and or new market with or without new products. In the case of marketing cooperatives, they market the farm commodities produced by member farmers or simply purchase the farm produce from its members and resells it to food manufacturing or processing firms after providing some minimal services such assembling and grading the farm produce (Jeffrey, 2014). After the cooperative sells the commodity to a manufacturer or processor, it distributes any additional revenues, after deducting transportation or handling costs, to members as patronage refunds. He further notes that the cooperative may process the farm produce and sell the processed produce to consumers or retailers. The patronage refunds here include any value added to the farm produce by the cooperative.

The functions and activities of cooperatives in marketing farm produce (Umebali, 2004) is therefore organized for collective marketing of member produce. Some cooperatives are multi-purpose in nature and handling multiple activities respectively. Cooperative is set up in order to market and sell the surplus of its members, being such a surplus as they cannot consume themselves and general services in agricultural production.

#### *2.5. Challenges Confronting Cooperatives in Marketing Farm Produce*

Some of the challenges confronting cooperatives in marketing farm produce are as follows:

##### 2.5.1. Transportation Problems

In most rural farm settlements, good roads are lacking and where roads are available, they are either not motorable throughout the year or they are laced with potholes which makes it difficult for vehicles to get to the farm site to evacuate the farm produce. The state of the roads further increases post-harvest losses through damage of food produce. This makes transportation cost to account for very high percentage of the market cost. Increased cost of petroleum products and spare parts has also led to increase transportation cost. In furtherance to that, the main problems facing the transportation system in Nigeria is poor maintenance of existing roads, lack of provision of funds by the government, neglect by both public and private organizations, inconsistency in government policy and implementation, siphoning of public funds by contractors and negligence of duty.

##### 2.5.2. Inadequate Market Infrastructure

In the rural areas where majority of the smallholder farmers operate, inadequate infrastructure constitutes a major constraint to production and trade as (Oni, 2013) opines that in many parts of the country physical and marketing infrastructure is poorly developed and access to information and markets is highly restricted. Electricity supply is often epileptic. The infrastructure constraint has persisted due to government neglect, poor governance, poor political leadership, poor maintenance culture and poor funding he concluded. Good storage and warehousing facilities such as lock-up stores, silos, barns are lacking. Where they are available may not be sufficient, where some do not have any form of storage facilities. Insufficient storage facilities often lead to produce loss due to premature germination, fungal and bacteria attack, insects and rodent attack. All these often account for increased marketing cost leading to higher retail price and reduced cooperative performance.

### 2.5.3. Inadequate Fund for Marketing

Cooperative requires considerable investments of funds in the area of bulk purchases, development of storage facilities, transport facilities and processing facilities. Inadequacy of fund prevents the efficient performance of cooperatives and farmers from expanding their business in order to reduce cost due to economics of scale. Apart from the high cost borrowing from informal sources, the fund provided is grossly inadequate for marketing business. Onugu (2007) states that there is certain provision in the cooperative laws that militates seriously against capital mobilization. The maximum shareholding is one of the provisions that affect capitalization in cooperatives.

### 2.5.4. Shortage of Processing Facilities

Processing is an important marketing function through which value is added to the farm produce. Efficient handling, packaging, grading, and processing facilities are lacking in the marketing of farm produce. During manual threshing of grains, many of the grains are broken making them susceptible to fungal and bacteria attack.

### 2.5.5. Disloyalty among Members

Many cooperative societies in Nigeria have disloyalty challenge. Ezeji & C-Okoro (2015) observes that this is visible when issue of interest is concern; members preoccupation is what they can gain from the society rather than what sacrifice to make in order to secure the future for good business. Once members stop attending cooperative meetings without genuine permissions or failure to make statutory and non-statutory financial contributions to the society it will snowball into total or little regard of cooperative bye-laws.

## **3. Theoretical Framework: Motivational Theory**

This study takes its research wave from motivational theory which causes an individual to change his or her behaviour in a directed end. Here, the main purpose of this theory is the reason that spurs people to join cooperative for marketing farm produce. If an individual perceive that his needs can be satisfied through cooperative business, he will like to join the organization. It is then the responsibility of the cooperative to satisfy member's interest in business. This theory tells us more about the internal needs within individuals which they want to satisfy through organizational relationships as a worker/owner in entrepreneurship (industrial) cooperatives or owner/customer in service cooperatives. It is important to note according to Onwuchekwa (1995) the human relations theory of motivation asserts that productive work units are characterized by favourable member attitude towards all aspects of the business including other workers, managers and the organization. The implication is that the cooperatives market member farmers produce or purchase the farm produce from its members and resells for additional revenue as this is the reason behind their membership.

### *3.1. Empirical Studies*

In the course of this study the researcher came across related literature for example Obodoechi & Amujielo (2017) their study which was on marketing efficiency of fish production in Enugu State. The one hundred marketers selected using multi stage sampling procedure: the results revealed that the consumers preferred dried fish (19,260 metric tons at 40%), fresh fish (17,815.5 mt at 37%) and smoked fish (11,074.5 mt at 23%). According to the study this was attributed to their flexibility in consumption usage. From the study some of challenges facing the marketing of fish were mirrored such as larger number of middlemen, sale on credit which results to delay in payments, poor supply and poor storage facilities. The study recommends that embracing cooperative will help to boost the sector. On the other hand, the bank of India study on the importance of cooperatives in marketing of farm produce among Indian farmers which was reported by Umebali (2004) states that cooperative is a society of farmers, organized for the purpose of helping the members to market their produce so as to obtain higher profit than is possible by way of private marketing. The report noted that cooperative reduces the role of middlemen in food distribution and there is a long chain of middlemen who take away about 1/8<sup>th</sup> of hard earn income of the farmers but with increasing numbers of cooperatives, farmers can now heave sign of relief.

Mulat & Tradele (2001) anchored on the performance of grain marketing in Ethiopia: the case of Addis Ababa. The results revealed that inefficient and underdeveloped markets, results in low and variable prices thereby reducing the profitability of new technologies for farmers, discouraging business people from investing in processing activities, retailers and transporters from investing in improved market and transport services. The study explains why farmer income is low despite importance of such occupation in nation building. Similarly, (Nkhoma, 2011) the study which focused on factors affecting sustainability of agricultural cooperatives in Malawi: from the four cooperatives selected for the study the result revealed that the cooperatives marketing farm produce are in a vicious cycle of non-performance. The study is in agreement with (Mulat & Tradele, 2001) that there were no market influence and low volumes.

In another vein, Mande & Lawal, (2009) a study which assessed how cooperatives have contributed to increasing selling and marketing agricultural development in Ojo Local Government Area of Lagos State, Nigeria, it was discovered among other things that cooperatives assisted in the provision of basic amenities and social services in this area. The study reported that in a locality, 50.9% of market shades were constructed by cooperatives, 54.4% attributed to cooperatives shop; combating social amenities at 74.4% of markets stores built; 47.8% of recreation centers; 53.3% jobs created; 67.8% of capital equipment acquired; 45.6% of sanitation activities carried out; 71.1% provision of vocational/skills training; 53.3% of constructed boreholes; provision of storage facilities at 66.7%; processing facilities at 58.9%; procurement of agriculture and equipment inputs for farmers and members at 94.4% while cooperative involvement in community banking at 61.1%.

However, in all empirical studies considered Obodoechi & Amujielo (2017) and Mulat & Tradele (2001) focused on the types of agricultural produce the cooperatives market but none focused on the extent of effective use of marketing channels of farm produce and influence of socio-economic profile of cooperatives on the income of societies. The above statement will enable one to have an informed opinion about the present study which aims to assist fill this gap.

#### 4. Methodology

Survey planed research design method was used in sourcing of data, questionnaire administration, retrieval and data analysis. Also, a descriptive survey was adopted. The structure of this methodology is designed in a manner that facilitated the gathering of information from 98 cooperatives using simple random sampling technique in Imo State.

##### 4.1. Model Specification

The descriptive and inferential statistics of analyzes were adopted to analyze the outline specific objectives and for hypothesis testing to ensure effective comparison. In analyzing the socio-economic profile of cooperatives, frequency model (simple percentage, table and frequency count) analysis was used. Specific objective 2 and 3 were determined and ascertained respectively using mean, standard deviation of 5-point Likert scale analysis. A theoretical mean value of 3.0 was taken as a criterion to judge ( $\geq 3.0$  high and  $< 3.0$  low) of extent of different types of agricultural produce cooperatives market and ( $\geq 3.0$  effective and  $< 3.0$  not effective) of the marketing channels adopted respectively. The multiple regression analysis was used to test hypothesis 1 to ascertain the socio-economic profile of cooperatives significant effect on the income of the societies. Hence, different functions were fitted. The best regression fit was determined by a combination of criteria of the higher adjusted coefficient of multiple determinants ( $R^2$ ), the level of significance of the overall equation (F-Statistics) and the level significance of each coefficient (T Statistics). The functions can be represented as follows:

$$Y = F(X_1, X_2, X_3, X_4, \dots, e_i)$$

Where, Y = Income of the societies (in naira)

$X_1$  = Cost of marketing farm produce (naira)

$X_2$  = Marketing experience (years)

$X_3$  = marketing channels (number)

$X_4$  = types of agricultural produce (number)

e = Error term.

The explicit forms represented are as follows:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + e \text{ (Linear)}$$

$$Y = a + b_1 \log X_1 + b_2 \log X_2 + b_3 \log X_3 + b_4 \log X_4 + e \text{ (Semi log)}$$

$$\log Y = a + b_1 \log X_1 + b_2 \log X_2 + b_3 \log X_3 + b_4 \log X_4 + e \text{ (Double log)}$$

##### 4.2. Profile of Responding Cooperatives

Some of the socio-economic profile of responding cooperatives including cost accrued, marketing experience, marketing channel, type of agricultural produce they market and income of the cooperatives are presented below in table 1 which ascertained specific objective 1 which has shown that the responding cooperatives societies in the area spend between N501, 000.00 to N1,000,000.00 which is about 43% of total in marketing of farm produce. While about 35% of the responding cooperatives spend more than or equal to N1,001,000.00 in the business and 22% of them spend less than or to N500,000.00 in marketing of farm produce business. The implication here is that the majority of cooperative societies are prudent in the cost of the business of marketing farm produce since Imo State is educational zone. The above table reflects the marketing experience of the cooperative societies in marketing of farm produce which shows 6 years and above which is about 64% of the responding cooperatives in the area have long years of marketing experience which implies sustainability of the business. It also indicates that about 24% of the responding cooperative societies sells by direct to consumers, 32% sells through wholesaling while about 28% sells to private shops and 16% sells to supermarkets. This implies that the cooperative societies are conscious of the farm produce to avoid spoilage.

The cooperative societies engage in different types of agricultural produce as much as they can include yam, banana, rice, maize, palm oil, cassava, coconut, watermelon, cucumber and plantain. On the income of the cooperative societies about 16% of the responding cooperatives earn less than or equal N500,000.00 while about 46% earn between N501,000.00 to N1,000,000.00 and about 38% earn more than or equal to N1,000,000.00. This implies that the cooperative societies in the area are making profit from the business.

Options	Frequency	Percentage (%)
<b>Cost of Marketing Farm Produce</b>		
≤ N500,000	22	22.45
N501,000 – N1,000,000	42	42.86
≥ N1,001,000	34	34.69
Total	98	100
<b>Marketing Experience</b>		
≤ 5 years	35	35.71
6 – 10 years	45	45.92
≥ 11 years	18	18.37
Total	98	100
<b>Marketing Channel</b>		
Direct to consumers	24	24.49
Wholesaling	31	31.63
Private shops	27	27.55
Supermarkets	16	16.33
Total	98	100
<b>Type of Agric. Produce they market</b>		
Yam	11	11.22
Banana	07	7.14
Rice	05	5.10
Maize	14	14.30
Palm oil	21	21.43
Cassava	18	18.37
Coconut	03	3.06
Watermelon	09	9.18
Cucumber	04	4.08
Plantain	06	6.12
Total	98	100
<b>Income of the Cooperatives</b>		
≤ N500,000	16	16.33
N501,000 – N1,000,000	45	45.92
≥ N1,001,000	37	37.75
Total	98	100

Table 1: Distribution of Responses According to Socio- economic Profile of Cooperatives (98)

Source: Field Survey, 2021

Table 2 assessed specific objective 2 which show the descriptive statistics extent of marketing different types of farm produce where 3.0 threshold from 5-point Likert scale was used for decision criteria as to whether the extent of marketing of farm produce is high or low. Four (4) measuring variables rated lower than (<) 3.0 are low with the grand mean of 2.67 at standard deviation of 1.392. Yam was 1.76, Rice 1.88, Coconut 1.44 and Banana which was 2.47. This implied that, the extent of marketing different types of farm produce by the cooperatives is low. This may be due to marketing channels adoption for the cooperative societies.

S/NO	Farm Produce Being Marketed	Mean (X)	Std. Deviation	Decision
1.	Yam	1.76	1.379	Low
2.	Rice	1.88	1.225	Low
3.	Maize	3.56	1.465	High
4.	Palm oil	3.32	1.506	High
5.	Cassava	3.23	1.561	High
6.	Coconut	1.44	1.233	Low
7.	Watermelon	3.01	1.426	High
8.	Cucumber	3.08	1.439	High
9.	Plantain	3.33	1.472	High
10.	Banana	2.47	1.211	Low
	Grand Mean	2.67	1.392	Low

Table 2: Distribution of Responses According to Extent of Marketing Different Types of Agricultural Produce (98)

Source: Field Survey, 2021

Table 3 determined specific objective 3 which show the descriptive statistics extent of effective use of marketing channels adoption where 3.0 threshold from 5-point Likert scale was used for decision criteria as to whether the marketing channels are effective or not. Though, 2 measuring variables; Wholesaling (selling in bulk of farm produce) was 3.46 and Private shops (selling farm produce to private shop owners) 3.32 are effective but the grand mean of 2.94 was lower than (<) 3.0 at standard deviation of 1.433. Supermarkets (selling farm produce to supermarkets in town) which was 2.38 and Direct to Consumers (selling direct to final consumers) was 2.59. This implied that the marketing channels used by the cooperative societies are not effective.

S/NO	Marketing Channels Adoption	Mean (X)	Std. Deviation	Decision
1.	Wholesaling	3.46	1.437	Effective
2.	Supermarkets	2.38	1.412	Not effective
3.	Private shops	3.32	1.433	Effective
4.	Direct to Consumers	2.59	1.451	Not effective
	Grand Mean	2.94	1.433	Not effective

Table 3: Distribution of Responses According to the Extent Use of Marketing Channels of Farm Produce (98)

Source: Field Survey, 2021

#### 4.3. Discussion of Model Result

The regression analysis table below indicates that the correlation coefficient  $R^2$  shows that 85% of variations in income (dependent variable) are explained by the independent variables. The adjusted  $R^2$  shows 0.813 which was at 81% of the variations in income were explained by the changes in independent variables. The F-statistics is highly significant at 0.05 percent level. Therefore, is obvious that there is strong relationship between socio-economic profile of cooperative societies and their income in which marketing experience ( $x_1$ ) 0.29, marketing channels ( $x_2$ ) 0.32, cost accrued ( $x_3$ ) 0.37 are all positive significant that is one unit increase in this socio-economic profile will affirmatively increase income. The coefficient on marketing experience shows sustainability; which conventionally expected to enhance cooperative performance in income. Marketing channels and cost accrued may suggest that they are more important in determining cooperative societies' income respectively. Marketing experience and marketing channels are expected to be positively related to the income. The positive coefficient on cost accrued shows that cooperative societies who are more prudent with cost of doing business will have more appreciable income received which were expected to be positively related to income. While type of agricultural produce the cooperative societies market ( $x_4$ ) is not significant, this means no relationship with income which implied that irrespective of the type of agricultural produce the business strives.

Model	Standardized Coefficients	T	Sig.
(Constant)		3.668	*.000
Marketing experience	.292	3.524	*.001
Marketing channels	.318	3.282	*.001
Cost accrued	.372	4.302	*.000
Type of agricultural Produce they market	.020	.153	.108

Table 4: Regression Analysis Result of Effect of Socio-Economic Profile of Cooperative Societies on Their Income  
Dependent Variable: Income of Cooperative Societies

\*Significant

Predictors: (Constant) marketing experience, marketing channels, cost accrued, type of agricultural produce they market.

$R = 0.853$

$R^2 = 0.822$

Adjusted  $R^2 = 0.813$

$N = 98$

Test of Hypothesis

$H_0$ : Socio-economic profile of cooperative societies has no significant effect on their income.

In order to test the above hypothesis, ANOVA of the multiple regression was used and result displayed below:

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	43.761	4	10.940	114.681	.000 <sup>a</sup>
Residual	4.739	93	.051		
Total	48.500	97			

Table 5: ANOVA Showing the Relationship of Income on Socio-economic Profile of Cooperative Societies

Predictors: (Constant), types of agricultural Produce they market, cost accrued, marketing experience, marketing channel.  
Dependent Variable: Income of cooperative societies



#### 4.3.1. Decision

The F ratio in the table above shows a value 114.681 which was significant at 0.01 level. Therefore, null hypothesis was rejected and the alternate was accepted meaning that socio-economic profile of cooperative societies has significant effect on their income in Imo State.

### 5. Summary of Major Findings

Based on the analysis above, the following findings were made:

- The majority of cooperative societies about 82% are prudent in handling the cost of the business of marketing agricultural produce.
- Long years of marketing experience indicate sustainability of marketing agricultural produce.
- About 76% of the cooperative societies market through wholesaling, private shops and supermarkets channels.
- More than two-third of the cooperative societies earn between N501,000.00 to N1,000,000.00 as progressive income.
- The grand mean of 2.67 indicates the extent of marketing different types of agricultural produce by cooperative societies is low.
- The grand mean of 2.94 of extent use of marketing channels are not effective.
- The F statistics of 114.681 indicates that there is a significant effect of socio-economic profile of the cooperative societies on their income.

### 6. Conclusion and Recommendations

There is an indication that cooperative play important role in the process of food provision and agricultural development. There is also the boasting of the economy on the strengthening of the marketing sector by increasing the marketing activities of the agricultural produce. Cooperative societies for long have provided alternative means of doing agricultural business. Findings from this study have shown that the societies investigated acknowledged that they are prudent in cost management of the agricultural produce. Indeed, the analysis revealed the majority of the cooperative societies are making progressive income. The reason for ineffective extent of marketing different types of agricultural produce may be due to lack of concentration which does not give best return on investment. Also, the reason for the extent of marketing channels being low may be as a result of lack of due diligence in marketing the final consumer. We however believe that cooperative societies are engaging a lot of teaming adult population in food provision and agricultural development as important performance determinants. This study therefore recommends that:

- The cooperative societies should increase their channel of marketing agricultural produce direct to final consumers to earn more income.
- In order to make the extent of marketing channels effective the cooperative societies should increase their marketing activities of the agricultural produce.
- The cooperative societies should concentrate on the agricultural produce that gives them the best return on investment.
- Government intervention is necessary in the area of building silos, constructing quality rural roads for accessibility of agricultural produce cum consideration of cooperatives for financial support.

### 7. References

- Adekanye, J. (1998). 'Marketing Cost and Value Chain Analysis of Oil Palm'. [www.ajol.info/index.php/jats/article/view](http://www.ajol.info/index.php/jats/article/view). Accessed on 15-02-21.
- Adeleye, A. (2012). Agricultural Multi-Purpose Co-operative Society. Course Developer/Writer Mr. A. D. Adeleye Federal Cooperative College Ibadan for National Open University of Nigeria.
- Akubuilu, C. (2008). Problems of Agriculture in Nigeria. Unpublished M.Sc Handout. Nnamdi Azikiwe University, Awka.
- Bob-Igwe, C. (2006) *Principles and Economics of Cooperation*. Enugu, Bob Billion Publishers.
- Demeke, T. (2007). *Performance of Coffee Marketing Cooperatives and Members' Satisfaction in Dale Distric*. SNNPRS-SOUTHERN, Ethiopia.
- Department of Trade and Industry (2012). 'Ensuring an Economy that Benefits All'. THE DTI, Pretoria, South Africa. [www.thedti.gov.za](http://www.thedti.gov.za). Accessed on 08-06-21.
- Dirisu, O. O. & Kadiri, A. H. (2019). 'Diversification as a Marketing Strategy' in Managing Nigeria Economic Diversification: Lessons from other Climes. Ed. Patrick Akpan, International Conference Proceedings. Nnamdi Azikiwe University, Awka, Nigeria.
- Ezeji, D. E. & Chijioke-Okoro, G. C. (2015). 'Entrepreneurship Cooperative Societies (ECS): Platform for Industrial Development in Nigeria.' National Conference Proceedings: Imo State Polytechnic, Umuagwo. Vol. 1
- Haris, A. & Fulton, M. (2000). *Farm Machinery Cooperatives: An Idea worth Sharing*. Centre for the Study of Cooperatives, University of Saskatchewan.
- International Labour Organization (2000). 'International Labour Office Report V (1) Promotion of Cooperatives.' Geneva.
- Investopedia (2018). <https://www.investopedia.com>. Accessed on 2021-09-03.
- Krisiinawami O. & Kulandaiswamy V. (2000). *Cooperation: Concept and Theory*. Aruda Academy. India.

- xiii. Mande, S. & Lawal, K. (2014). 'Cooperative Marketing Societies and its Challenges for Sustainable Economic Development in Lagos, Nigeria'. *IOSR Journal of Research and Method in Education (IOSR-JRME)*.
- xiv. Mulat D. & Tradele F. (2001). *The Performance of Grain Marketing in Ethiopia: The Case of the Addis Ababa Central Market*. Addis Ababa.
- xv. Nchuchuwe, F. & Adejuwon, K. (2012). 'The challenges of Agricultural and Rural Development in Africa: The Case of Nigeria'. *International Journal of Academic Research in Progressive Education and Development*.
- xvi. Nkhoma, A. (2011). 'Factors Affecting Sustainability of Agricultural Cooperatives: Reasons from Malawi'. M.Sc. Dissertation. Massey University, New Zealand.
- xvii. Obodoechi, O. B. & Amujielo, U. J. (2017). 'The Marketing Efficiency of Fish Production in Enugu State.' 3<sup>rd</sup> National Conference Proceedings: Institute of Cooperative Professionals of Nigeria (ICOPRON) July 5<sup>th</sup> – 7<sup>th</sup>
- xviii. Ogbemi, O. B. & Ekenimoh, S. O. (2013). *Essentials of Marketing for Public Relations and Adverting*. Lagos-Nigeria: Amtsitop Book Company.
- xix. Okechukwu, E. O. (2001). *Cooperative Business: Principles and Practice*. Awka: Authors and Publishers Ltd.
- xx. Okechukwu, E. O. (2003). *Manuals for Cooperative Professionals*. Onitsha: Optimal Press Ltd.
- xxi. Okeke, E. U (2001). *Fundamentals of Agricultural Marketing*. Nsukka: University of Nigeria Stable Publisher.
- xxii. Olaleye, A. (2007). 'Factors Influencing the Choice of Property Portfolio Diversification Evaluation Techniques in Nigeria'. *Journal of Property Investment and Finance*.
- xxiii. Oni, T. (2013) 'Challenges and Prospects of Agriculture in Nigeria: The Way Forward': *Journal of Economic and Sustainable Development*. Vol.4, No.16
- xxiv. Onoh, F. A. (2007). *Cooperative Auditing and Administration*. Enugu: Amazing Grace Publishers.
- xxv. Onugu, C. (2007) 'Agricultural Cooperative Societies as Platform for Rural Development in Nigeria': *Journal of Cooperative Economics and Management*. Vol.1 No.1 December.
- xxvi. Paridhi, B. & Mishra, A. (2014). 'Satisfaction Level of Farmers towards Agricultural Produce Marketing Committee of (Dhamtari District'. *International Journal of Science and Research (IJSR)*.
- xxvii. Pluntet, B. & Kingswell, R. (2001). 'New Generation Cooperatives in Australia: Principles and Practice.' Contributed Paper at the 45<sup>th</sup> Annual Conference of Australia Agricultural and Resources Economies Society, Alelaide.
- xxviii. Royer, J. S. (2014). *The Theory of Agricultural Cooperatives: A Neoclassical Primer*. Faculty Publications: Agricultural Economics, Digital Commons @ University of Nebraska-Liocoln.
- xxix. Uchendu, S.O. (2003). *Fundamental of Cooperative Business Enterprise*. Date Storm Technologies International.
- xxx. Ugwuanyi, L. (2006). *Cooperative Organization*. Enugu: Malik Publishers.
- xxxi. Umebali, E. E. (2004). *Agric Business and Analysis*. Lagos: Computer Edge Publishers.
- xxxii. Uzoka, O. L. (2008). 'Cooperative Society Membership: An Impact Assessment of Small Holder Farm and Agro Business Owners'. *Nigerian Journal of Cooperative Economics and Management*.