



Factors Militating Against Effective Agricultural Cooperative Societies Development among Farmers in Omuma Local Government Area of Rivers State

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ABSTRACT

This study examined the factors militating against effective agricultural co-operative society's development among farmers in Omuma Local Government Area of Rivers State. Three research questions guided the study. Descriptive survey research design was adopted for the study. A simple cluster sampling technique was adopted to select 5 agricultural cooperative societies from all the agricultural cooperatives societies in Omuma Local Government Area, 24 members were selected from each cooperative societies which gave a sample size of 120 respondents. A structured questionnaire titled factors militating against effective agricultural cooperative societies development questionnaire (FMEACSDQ) was used to gather data for the study. Frequency counts and percentages were used to describe the data in the research questions. The questionnaire was face validated by three experts from ministry of agriculture and natural resources, Port Harcourt, and the reliability was tested using Cronbach's alpha reliability estimate to determine the internal consistency of the questionnaire; this yielded a reliability coefficient (r) of 0.867. The findings showed that inadequate funding for production is one of the factors affecting agricultural cooperative society's development in Omuma L G A. It was therefore recommended that government should provide loan to agricultural cooperatives societies to enable them effectively carry out their functions and expand their membership.

Keywords: Factors militating, agricultural development, cooperative societies, farmers.

INTRODUCTION

Agriculture in Nigeria employed about 70% of her population according to Nlebem (2018) before the discovery of oil and its subsequent boom, agriculture was the main source of foreign exchange in the country however oil boom reduced this role. Food importation has become the order of the day, presently; there is increasing awareness by stakeholders on the need for achieving sustainable food security in Nigeria as asserted by Food and Agricultural Organization (FOA 2008). This has led to conscientious efforts towards finding appropriate structure for organizing millions of small scale farmers towards achieving food security. One of such efforts according to Nlebem and Raji (2018) is the formation of agricultural co-operative society (A.C.S) which is geared towards harnessing and pooling the resources of millions of small holder farmers (producers) together to enjoy the benefit of large scale production. Agricultural co-operative is a group of farmers who pool their resources together in certain area of activity to facilitate optimal production through efficient use of these resources (Obibuaku (2013). Agricultural cooperatives according to Nlebem (2018) are a study of the principles and concepts that guide the formation, operation and sustainable management cooperative movements in agriculture. It is concerned with such issues as the cooperatives, the organization of cooperatives, cooperative financing,

management of cooperatives and taxation, etc. He went further to say that an agricultural cooperative society is a business enterprise which is jointly formed, owned, capitalized, patronized and democratically controlled by farmers, fishermen or other operators in the agricultural sector to meet their pressing needs. He added that the pooling of resources include joint purchase of farm inputs like seed, farm machinery, aiding members morally and financially during cultivation and seeking marketing channels for farm products to ensure better and fair prices.” He stressed that the main reason for forming agricultural cooperative societies is to create a secured environment in terms of food security and the improvement of the standard of living among other members of the community. The significant of agricultural cooperative societies as seen in the area of development of agriculture in industrialized countries as suppliers of farming implements and other materials, marketers of agricultural products and the provision of services such as storage and transport.

Onugu and Abdulahi (2012) cited that prices of food stuffs have continued to be on the increases in the market despite the activities of the National Programme for Food Security (NPFS) which is anchored by the Agricultural Development Programme (ADP) of states in Nigeria. Agricultural co-operative societies are one of the most effective vehicles for efficient mobilization of production resources and accelerated rural development (Omotesho, Olbunmi, and Abayomi (2008). The important fact is that the small-scale individual capacity of the peasants producers, cannot cope with technological and capital demands of modernized agriculture even though the family farm may be considered efficient within the static framework of its motive of enterprise-self-sufficiency. The dynamic demands of modern times are such that such a framework has to be subjected to drastic structural changes. And the peasant farmers should be educated such that he knows that his interest is being fostered (Okolocha, 2005).

The role of agricultural co-operative societies is to restructure agriculture towards achieving food security and also uplift the socio-economic lives of the farmers. Uchendu (2008) noted thus “the original impetus for the organization of co-operatives in Nigeria came from agriculture, or more precisely, from the marketing of cash coops for export”. This has brought a different dimension to cooperative development. Presently, emphasis in cooperative development in Omuma Local Government is on multipurpose agricultural co-operative societies for food production and marketing. The activities of National Programme on Food Security (NPFS) are carried out in the thirty-six states of the country, inclusive of the Federal Capital Territory (FCT) Abuja. In Rivers State, NPFS activities are mainly on agricultural activities, namely crop farming, livestock, fishery and processing of agricultural products. The component structure of NPFS in Rivers State is mainly the State Agricultural Development Programme (ADP) staff on one hand and the beneficial community-based farmers on the other hand.

It is against this backdrop, the study therefore analyzed the factors militating against effective agricultural cooperative society’s development among farmers in Omuma Local Government Area of Rivers State, Nigeria.

Statement of the Problem

Population growth in Nigeria has drastically and negatively affected food production according to Ajayi (2008). The resultant effect of this trend is an astronomical increase in the prices of food stuff in the market in Omuma Local Government Area in particular and Rivers State in general. Ajayi (2008) observed that the resultant effect of the gap in demand for and supply of food is malnutrition, poverty and deteriorating living conditions which could lead to anti-social vices in the long run. Over the years Omuma has been having serious challenges feeding its teeming population all year round. This is partly because many farmers do not join agricultural co-operative society hence they do not pool their resources together to adopt an improved farming technique. Farming in Omuma as noted by Nlebem (2018) depend overwhelmingly on low productivity resources, decline in land fertility, unskilled farm labour, lack of farm tools/implements and low yielding seed variety among farmers.

Agricultural co-operatives societies help in enhancing productivity and establishing viable and strong linkage with extension agencies in the field of agriculture and technology. Agricultural cooperatives’ principle is democratic in nature, member economic participation, autonomy and independence, provision of education, training, information and job creation.

Despite the advantages associated with membership of agricultural co-operatives societies, many farmers do not participate in agricultural co-operative societies activities in Omuma Local Government Area. This becomes a barrier for the success of agricultural co-operative development, lack of participation in co-operative activities may be caused by members who do not have much experience in working with the others and sometimes members have not sufficiently developed the acceptance and trust of self and others necessary to work together. This study therefore attempts to identify the factors militating against effective agricultural co-operative development among farmers in Omuma Local Government Area of Rivers State with a view of providing lasting solution to the problem.

Purpose of the Study

The main purpose of this study is to find out factors militating against effective agricultural co-operative society's development among farmers in Omuma Local Government Area of Rivers State. Specifically the objectives were to:

- i. Find out the socio-economic factors affecting farmers' participation in agricultural cooperative society in Omuma Local Government Area of Rivers State.
- ii. Find out the perception of Farmers on the services rendered by the agricultural co-operative societies in Omuma Local Government Area of Rivers State.
- iii. Find out the attitude of farmers towards participation in agricultural cooperative societies in Omuma Local Government Area of Rivers State.

Research Questions

The following three research questions guided the study

- i. What are the socio-economic factors affecting farmers' participation in agricultural cooperative societies in Omuma Local Government Area of Rivers State?
- ii. What are the perceptions of Farmers on the services rendered by the agricultural cooperative societies in Omuma Local Government Area of Rivers State?
- iii. What are the attitudes of farmers towards participating in agricultural co-operative societies in Omuma Local Government Area of Rivers State?

METHODOLOGY

The study was conducted in Omuma Local Government Area of Rivers State, Nigeria. The Local Government has an area of 170 km² and a population of 100,366 according to 2006 census. It has a vast fertile arable land located in the tropical rainforest zone and farming is the predominant occupation of the people in the area. To this end, the entire area is agricultural allied based with few processing industries which are privately owned and located in the major towns and village in the Local Government Area. Ten communities namely Eberi, Egbelu, Umuerim, Umuabali, Umuagwa Umuakali, Ofe, Amaji, Umukumanu and Umuoyoro were purposively selected based on appreciable number of cooperative activities present there. Cluster sampling technique was used to select 5 agricultural co-operatives societies for the study. And from each of the 5 agricultural co-operatives societies, 24 members were chosen giving a sample size of 120 participants for the study. A structured questionnaire titled factors militating against effective agricultural cooperative societies development questionnaire (FMEACSDQ) was used to collect information from the respondents/farmers. The questionnaire was face and content validated by three experts from the ministry of agricultural and natural resources Port Harcourt, and the reliability was tested using Cronbach's alpha reliability estimate to determine the internal consistency of the questionnaire, this yielded a reliability coefficient (r) of 0.867. The questionnaire has 3 sections which include, socio-economic factors affecting farmers' participation in agricultural co-operatives, the perception of farmers on the services rendered by the agricultural co-operatives and the attitude of farmers towards participation in agricultural co-operatives. Frequency counts and percentages were used to describe the data in the research questions.

Research Question 1: *What are the socio-economic factors affecting farmers' participation in agricultural cooperative society in Omuma Local Government Area?*

Table 1: Socio-economic factors facing farmers' participation in agricultural co-operatives

Factors		Frequency	Percentage
Inadequate Fund for Production	Yes	112	93.33
	No	8	6.66
Increased Prices of Inputs	Yes	118	98.33
	No	2	1.66
Poor Access to Loans from Institutions	Yes	107	89.16
	No	13	10.83

Source; Researchers fieldwork 2019

Table 1 indicates that 93.33% of respondents affirmed that inadequate funds for production is the major challenge of the farmers in Omuma agricultural cooperative Societies while 6.67% affirmed otherwise that they have access to loans from financial institutions. The table also revealed that 98.33% of the respondents face increased prices of inputs while 1.67% had contrary opinion. Also, the table revealed that 89.16% of the respondents agreed that there is poor access to loans from institutions in the community while 10.84% respondents said otherwise.

Research Question 2: *What are the perceptions of farmers on the services rendered by the agricultural cooperatives societies in Omuma Local Government Area?*

Table 2: Perception of Farmers on the services rendered by the Co-operatives

Factors	SA	A	UN	DA	SD
I have access to training services	5 (4.1%)	7 (5.8%)	1 (0.8%)	60 (50%)	47(39.3%)
I have access to health care services	13(10.8%)	17 14.1%)	5 (4.1%)	45(37.5%)	40(33.5%)
There is availability of transport services	27(22.5%)	29(24.1%)	1 (0.8%)	32 (26.7)	31(25.9%)
There is presence of government services	5 (4.1%)	7 (5.8%)	1 (0.8%)	60 (50%)	47(39.1%)
All participants receive adequate services	8(6.6%)	13 10.8%)	2(1.6%)	57 (47.5)	40(33.5%)

Source: researchers field work 2019

Table 2 showed that 4.1% of participants agreed strongly that they have access to training service, 5.8% respondents agreed that they have access to training services, while 50% and 39.3% of participants do not have access to training services. The Table also revealed that most of the agricultural cooperative societies in Omuma do not have access to health care services, 37.5% and 33.5% strongly disagree, while 10.8% and 14.1% agreed to have access to health care services which is completely insignificant. Further Table 2 also showed that 26.7% and 25.9% of participants disagreed of having access to transport services, while 0.8% of the respondents were neutral, 24.1% and 22.5% agreed that they have access to transport services. The table also revealed that 50% and 39.3% respondents disagreed of having government services, while 4.1% and 5.8% of participants agreed that they have government services.

Research Question 3: *What are the attitudes of farmers towards participating in agricultural co-operative societies in Omuma Local Government Area?*

Attitude of Famers towards Their Participation in Agricultural Cooperatives

Factors	SA	A	UN	DA	SD
Food insecurity leads to participation	47 (39.1%)	60 (50%)	1 (0.8%)	5 (4.1%)	7 (5.8%)
Higher profit influence participation	40(33.3%)	45 (37.5%)	5 (4.1%)	13 (10.8%)	17 (14.1%)
Participate to access financial linkage	32(26.6%)	31 (25.8%)	1 (0.8%)	29 (24.1%)	27 (22.5%)
Participation in cooperatives is voluntary	60 (50%)	47 (39.1%)	1 (0.8%)	7 (5.8%)	5 (4.1%)
Participation in cooperatives reduces poverty	40(33.3%)	57 (47.5%)	2(1.6%)	8(6.6%)	13 (10.8%)

Source: Researchers field work 2019

Table 3 showed that 39.1% and 50% agreed that food insecurity leads to participation in agricultural cooperatives while 4.1% and 5.8% of participants disagreed. The table also indicated that 33.3% and 37.5% participants agreed that they participated to improve profit while 4.1% of the participants indicated that they do not participate in the co-operative to improve profit. The Table also revealed that 26.6% and 25.8% agreed that they participated to access financial linkage, 0.8% respondents were undecided, whereas 24.1% and 22.5% disagreed that they participated in co-operatives to access financial services. The Table also indicated that 50% and 39.1% participants agreed that participation in agricultural cooperative societies in Omuma is voluntary while 5.8% and 4.1% participants disagreed.

DISCUSSION OF FINDINGS

Based on the analysis of the research questions, the findings showed that Table 1 revealed that inadequate funds for production, increased price of agricultural inputs, poor access to loans were the major challenges of farmers in Omuma (LGA) agricultural cooperative societies, this is in accordance to Nlebem and Raji (2019) that funding, stable price of agricultural commodities and access to loans are the major factors hindering the growth of cooperative development in Nigeria. Also Motiram and Vakulab - Haranam (2007) observed that, farmers in agricultural co-operatives societies have more bargaining power, lower transaction costs in getting loans, and better access to information about its members and their resources compared to “outsiders” such as moneylenders and contractors, benefits which strengthen the co- operative’s power.

While Tekana and Oladol (2011) also reported that “inadequate financial capital limits the farmer’s ability to pay for water, electricity bills, costs of operating and maintaining the irrigation system” in South Africa, inadequate funds can also prevent farmers from investing in new methods of crop production and acquisition of new tools and implements. According to Hymn, B. C. (2008), increased cost of farm inputs and inadequate irrigation were cited as limiting factors to agricultural intensification and diversification” in Ngaka Modiri Molema District of South Africa.

The result revealed that so many farmers do not have access to training services in order to improve their farming skills. Training is very important since it provides adequate skills and knowledge to the farmers so as to improve their outputs thereby increase their income. This is in consonant with the finding of Uchendu (2008), that for any agricultural enterprise to easel large, medium and small scale, it must engage in constant training of its workers for competence and effectiveness. Also, most of the agricultural cooperative societies in Omuma have on access to health care services which is needed to keep the farmers and the community members at large in a healthy condition, this is contrary to the recommendations of FAO (2008) that countries expecting increased agricultural production should encourage good health facilities such as primary and secondary health centres and good transport

network, and assisting in transporting farmers produce. And also encourage adequate agricultural extension services.

Result Table 3 revealed that most farmers participate in agricultural cooperative societies in Omuma Local Government Area to avoid food insecurity. This is in agreement with the findings of Arcus (2004) which found out that “increased production of food for own consumption and for the market has helped to reduce the need for coping strategies and has also influenced farmers to participate in agricultural co-operative”. The result also revealed that farmers participate in cooperative societies to improve profit. Hence majority of farmers participate in co-operatives in Omuma Local Government Area to improve profit and financial linkage with banks and other financial institutions.

CONCLUSION

It was observed that inadequate funds for production, poor access to loans from financial institutions are some of the major factors that hinder the development of agricultural cooperative societies in Omuma LGA in the sense that they cannot pay for water supply and electricity bills. Also, the cost of operating and maintaining machineries hinder them from investing in new methods of crop production and acquisition of new tools and implements. Increased price of inputs affect the growth of the agricultural cooperatives. The farmers do not have access to training services to improve their farming skills, poor health care services for the farmers and their families and bad road network for the transportation of farm inputs and outputs seriously affect the agricultural cooperative societies in Omuma LGA. One of the motivating factors for the farmers to enlist in agricultural cooperatives societies in Omuma is to increase food production for their families and to sell the surplus for income and have a linkage into the financial institutions.

RECOMMENDATIONS

Based on the findings of this study, the following recommendations were suggested;

- Government should encourage agricultural cooperatives societies by providing them with loans and other credits facilities through banks and other financial institutions to enable them carry out their functions effectively and boost their social economic status.
- Government should establish one primary health care center in each of the major towns in Omuma Local Government Area and upgrade the hospital at Umuobasi in Eberi, the Local Government headquarters. The roads in Omuma should be graded to make it accessible, not excluding the farm roads and more agric. extension officers should be posted to the area. This will enhance their perception of agricultural cooperative societies
- Government should encourage members of agricultural cooperative societies by buying their products at a fixed price, this will enable them to produce more, make more profit and ensure food security this will improve their attitude towards joining agricultural cooperative societies in Omuma Local Government Area.

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