



## **THE ROLE OF COOPERATIVE SOCIETY IN IMPROVING FARMERS LIVELIHOOD IN NIGER STATE, NIGERIA**

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### **ABSTRACT**

The cooperative was formed as a result of human sufferings and degradation during the industrial revolution in England. The social impact of the revolution was pronounced and largely felt by the common man who needed to improve their conditions of living that had deteriorated to an inhuman standard. The study is set out to describe socio economics characteristics of the cooperators and the various cooperative societies as well as the role cooperative society play in improving the livelihood of cooperators in the study area. The study was conducted in Lapai Local Government area of Niger State. Purposive selection of five villages: Eshi, Kuchi, Gulu, Ebbo, and Puzhi was due to the predominant of cooperative societies in these villages. A total of 90 respondents were randomly selected from sampled communities. Primary and Secondary data were used with the aid of a structured interview scheduled. Data collected were analyzed using the descriptive statistics, Likert-type scale and binary logistic regression model. The result revealed that majority of the respondents 77.8% are within the age of  $\leq 60$ , married and literate with farming experience of about 30 years. More than half 64% of the respondents belonged to a cooperative society with mean years of about 8. Majority of the cooperators 81% belonged to producer cooperative society. The strong bargaining power has a mean score of 3.14 which is greater than the neutral point and is therefore accepted.

**Keywords:** Cooperative Society, Livelihood, Producer, Lapai, Purposive.

### **INTRODUCTION**

The origin of co-operatives in the world may be traced to eighteen century England. The co-operative was formed as a result of human sufferings and degradation during the industrial revolution in England. The social impact of the revolution was pronounced and largely felt by the common man who needed to improve their conditions of living that had deteriorated to an inhuman standard. At that time, while employers were reaping high profits, employees were paid subsistent wages which remained very low in spite of rising cost of living (Ukpere, 2010). Agricultural cooperative is broadly considered as an important foundation that can aid smallholder farmers to overcome the problems that hinder them from taking advantages of their business as it empowers economically weak farmers by enhancing their collective bargaining power and thereby reduces the risks that they face in the market (Woldu *et al.*, 2013). Cooperatives play a very important role in enhancing the livelihood of the rural and urban communities all over the world. Farmers in the rural areas are opportune to raise their incomes via the aid of Cooperative societies. According to Armando (2009) cooperatives are democratic organizations empowering people to find their own solutions, maintain access to competitive markets and obtain needed products and services on a competitive basis, to reduce costs and manage risk.

In Nigeria, the demand for agricultural credit is more than the available resources, and this is a very big problem for small scale farmers. According to Mgbakor *et al.* (2014), the



situation is increasing due to the fact that most of the farmers are; not learned, unaccountable, and do not have adequate collateral that will guarantee them to have access to loans from legal institutions. This indicates that cooperatives help in job creation and it also play a very important role in enhancing the livelihood of the rural and urban communities all over the world.

Livelihood in a general sense is a means of making a living; it entails all the diverse activities, capital and resources that allow people to live comfortably. Every human has different strategies and ways of meeting their needs. Similarly, different strategies are employed by households in order to gain and maintain their livelihoods. The determinant factors for livelihood activities include; the availability of assets, labour, resources, education, social capital, skills, seasonality, agro-climate/agro-ecology, and gender (Pasteur, 2002; Alli, 2005; Okali, 2006; Porter *et al.*, 2007; Akinwale, 2010). According to Chikaine (2011), he observed that the major reason for promoting livelihood is to ensure equality of opportunities, asset ownership, self esteem, a sense of socio-economic inclusion, and stable livelihood for poor households which will substantially increase their income over a period of time. The objectives of the study were to:

- i. describe socio economics characteristics of the respondents;
- ii. identify the various cooperative societies in the study area
- iii. describe the roles cooperative societies play in improving the livelihood of farmers

## **MATERIALS AND METHODS**

### **The Study Area**

The study was conducted in Lapai Local Government area of Niger State. The latitude falls within  $6.2^{\circ}$  East and longitude  $8.2^{\circ}$  in North. It is situated at 75km North of Minna. It is bordered by Agaie local Government to the West, Kogi State to the south, and Federal capital territory and Gurara local government to the North. It has an *area* of 3,051 km<sup>2</sup> and a population of 164,400 (NBS, 2016).

The study area experience two distinct climate seasons in a year (Rainy and Dry seasons). Nupe and Dikko are the two major tribes in the area. Major occupation of the people varies from farming, civil service and trading. Crops grown include: rice, yam, groundnut, sorghum, millet, cowpea, corn, bambara nut, sugarcane, Mellon, bennin seed, *amaranthus* and other vegetable. Goats, sheep, cattle, chickens, pigs, guinea fowl, pigeon, and fish are reared.

### **Sampling Procedure and Method of Data Collection**

A 3-stage sampling technique was used. The first stage was purposive selection of five villages: Eshi, Kuchi, Gulu, Ebbo, and Puzhi due to the predominant of cooperative societies in these villages. The second stage was the random selection of two communities from each of the five selected villages in the community. The third stage was the random selection of 18 farmers from each of the sampled communities to a total of 90 respondents' members and non-members.

Primary data was used for this study. It was collected with the aid of a structured interview scheduled.

### **Method of Data Collection**

Data collected was analyzed using the descriptive statistics, Likert-type scale and binary logistic regression model. Descriptive statistics such as mean, frequency and percentage were used to describe the socio-economic characteristics of the farmer, and the various cooperative societies. Likert-type scale was used to examine the roles cooperative societies play in improving the livelihood of the farmers in the study area.



## RESULTS AND DISCUSSION

### Socio-economic Characteristics of the Farmers

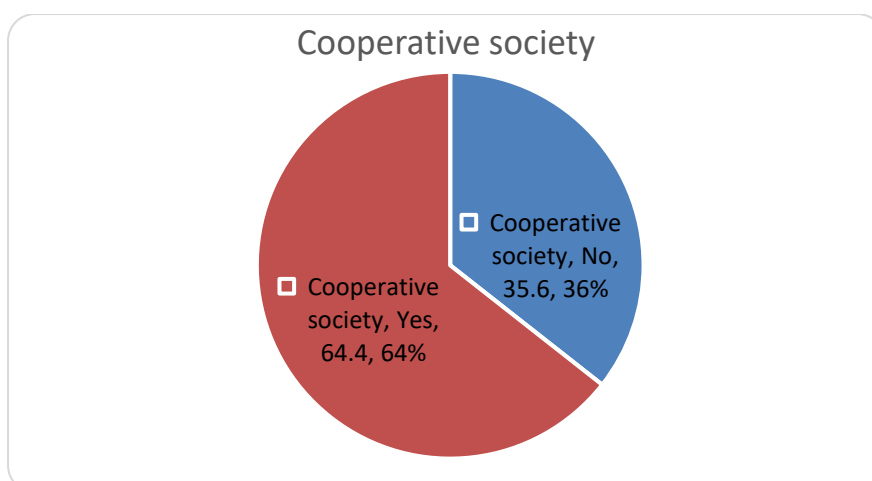
Table 1 The age distribution of the farmers shows that majority of the respondents 77.8% are within the age of  $\leq 60$ . This implies that the farmers are still in their active age. Also, the table revealed that all 100% of the respondents were male. This indicates that farming in the study area was dominated by male. This could be as a result of the fact that men are more actively productive and efficient in farming practices due to the labour-intensive nature of agriculture, especially in a developing country like Nigeria. Majority 86.7% of the respondents were married and only about 13.3% were single. This indicates that farming in the study area was dominated by married people. This may be attributed to the fact that married people have more responsibilities in taking care of their family members. A large household size prevents the use of hired labour as more family members would be engaged in farming activities. This means that large household size is an advantage when it comes to farming. Table 1 shows that 77.7% of the respondents have household size less than 15 while few 22.3% have more than 15 persons. Table 1 also, shows that 31.1% of the respondents had no formal education while most 68.9% had one or more form of education. Education according to Lu (2009), affect farmer's level of adoption of innovations and modern farming techniques positively as it is human capital investment that enhances income. Table 1 shows that majority 73.3% of the respondents have farming experience of less than 30 years while few 26.7% have above 30 years. This implies that majority of the respondents have been farming for a very long time which indicate that it's their major source of income. The result corroborates with the findings of Nandi *et al.* (2011) who asserted that most farmers in Nigeria have been farming for years.

**Table 1.** Socio-economic characteristics of the farmers

Variables	Category	Frequency (90)	Percentage
Age	$\leq 60$	70	77.8%
	$> 60$	20	22.2%
Sex	Male	90	100%
	Female	0	0%
Marital Status	Single	12	13.3%
	Married	78	86.7%
Household Size	$\leq 15$	70	77.7%
	$> 15$	20	22.3%
Educational Status	Tertiary	10	11.1%
	Secondary	26	28.9%
	Primary	26	28.9%
	Informal	28	31.1%
Farming Experience	$\leq 30$	66	73.3%
	$> 30$	24	26.7%

Source: Field survey, 2019

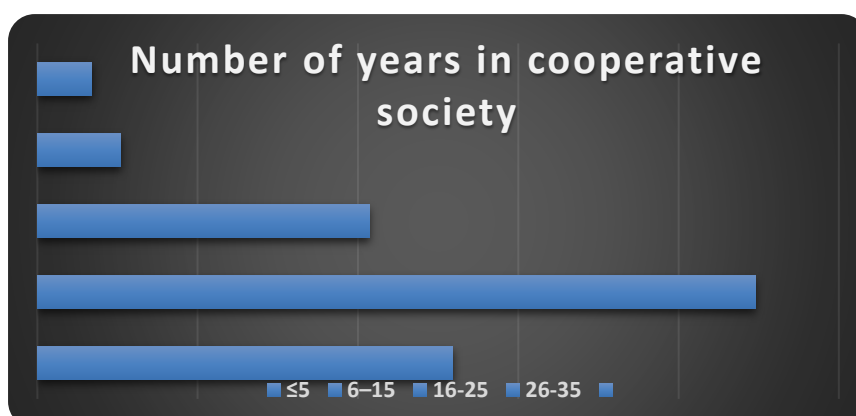
The distribution according to membership of cooperative societies showed that more than half of the farmers belonged to a cooperative society while about 36% (Figure 1) were not. Farmers that belonged to cooperative societies will be able to benefit from credit facilities and other form of incentives which will go a long way in improving their livelihood.



Source: Field survey, 2019

Figure 1: *Membership of cooperative society*

The mean number of years spent in cooperative societies was about 8 years (Figure 2). This implies that majority of the farmers have been in the society for quite sometimes.

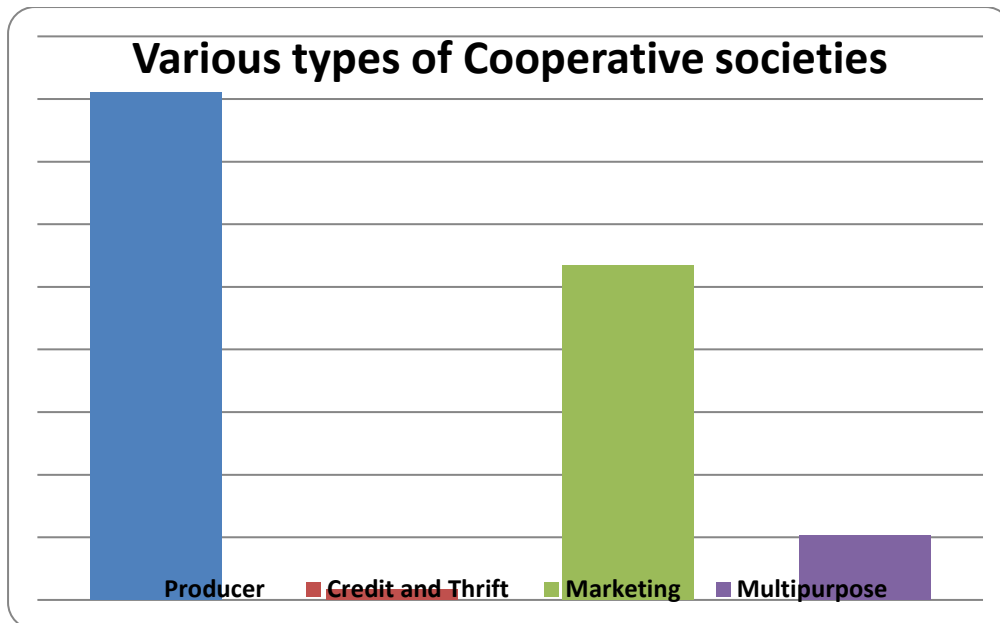


Source: field survey, 2019

Figure 2: *Number of years in society*

Figure 3 reveals that majority of the cooperators (81%) belonged to producer cooperative society. This is because majority of the respondents had farming as their major source of livelihood and hence belonged to the producer cooperative society. This concurred with Nlerum & Ogu (2014) who made similar findings in their role of farmers' cooperative societies in rural development in Nigeria.

Distant second and third in popularity were the marketing cooperative society (53.4%) and multipurpose cooperative society (10.3%). Only 1% of the cooperators belonged to the credit and thrift cooperative society.

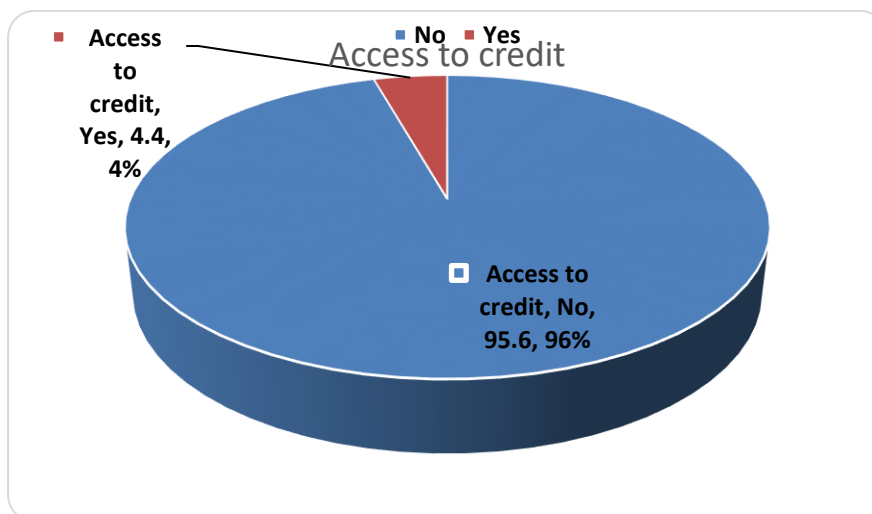


\*Multiple response exists

Source: Field Survey, 2019

Figure 3: *Various Types of Cooperative Societies in the Study Area*

Figure 4 revealed that almost all 96% of the respondents had no access to credit during the last production season while only about 4% had access to loan during the last production season.



Source: Field survey, 2019

Figure 4: *Access to Credit*



**Table 2:** Role Cooperative Society play in Improving the Livelihood of the Farmers

S/N	Roles	Strongly agree	Agree	Indifferent	Disagree	Strongly disagree	Mean score	Decision
1	Employment opportunity	12(20.7)	4(6.9)	0(0)	0(0)	42(72.4)	2.03	Reject
2	Strong bargaining power	32(55.2)	4(6.9)	0(0)	0(0)	22(37.9)	3.41	Accept
3	Increased food production	39(67.2)	0(0)	0(0)	0(0)	19(32.8)	3.69	Accept
4	Sponsoring and supporting of farmers household	36(62.1)	4(6.9)	0(0)	0(0)	18(31.0)	3.69	Accept
5	Improved members income	46(79.3)	9(15.5)	2(3.4)	1(1.7)	0(0)	4.72	Accept
6	Input supply from cooperative are of high quality & cost effective	18(31.0)	22(37.9)	11(19.0)	7(12.1)	0(0)	3.89	Accept
7	Members of cooperative obtain their input at the beginning of the season	20(34.5)	16(27.6)	12(20.7)	9(15.5)	1(1.7)	3.78	Accept

Note: \*\*\*The figures in parenthesis are in percentage.

Source: Field survey, 2019



**Table 2:** Role Cooperative Society play in Improving the Livelihood of the Farmers **Cont'd.**

S/N	Roles	Strongly agree	Agree	Indifferent	Disagree	Strongly disagree	Mean score	Decision
8	Members obtain credit at favourable interest	12(20.7)	17(29.3)	9(15.5)	16(27.6)	4(6.9)	3.29	Accept
9	Members obtained credit without collateral	16(27.6)	18(31.0)	10(17.2)	6(10.3)	8(13.8)	3.48	Accept
10	Cooperative processing of members is cost effective	24(41.4)	19(32.8)	13(22.4)	1(1.7)	1(1.7)	4.10	Accept
11	Members are able to access favourable market through cooperative marketing	19(32.8)	16(27.6)	17(29.3)	6(10.3)	0(0)	2.86	Reject

Note: \*\*\*The figures in parenthesis are in percentage.

Source: Field survey, 2019

Strong bargaining power has a mean score of 3.14 which is greater than the neutral point and is therefore accepted. The farmers' claimed to have had strong bargaining power when selling their produce as a result of their cooperative membership. Also, farmers claimed they have been able to increase their production by pooling resources together. This has gone a long way in improving the food security of the member's household. Mhembwe and Dube (2017) made similar findings in their study.

The farmers' revealed that as a member of cooperative society, they have received financial assistance from the society in time of low harvest or during the lean season. They have also claimed to have enjoyed various empowerment programme especially that of women empowerment of the members' household. The farmers' have enjoyed improved income as a result of the strong bargaining power which attracted better prices for their products. The increased income plays an important role in enabling the farmers attain some degree of financial dependence. Nlerum and Ogu (2014) made similar findings in their study, roles of cooperative societies in rural development in Nigeria.

The members' revealed that the input received from the society are of high quality and cost effective. The high quality of their product will help attract higher prices and hence, increased profitability while the low cost associated with the product will enable the farmer spend less in acquiring this input and instead divert the funds in catering for his needs. The members further claimed to have received their input on time and commence planting at an





early stage, harvest on time and sell off their product at good prices. Most of the non-members complained of erratic supply of input and hence experience a delay in planting and harvesting of their product.

The members of cooperative society in the study area obtain credit at low interest without collateral which encourage the members to seek for loans in order to meet their goals such as the expansion of their business. This is an advantage over non-members who might resort to financial institution for loans that attracts high interest. Cooperative processing of members farm produce is at almost zero cost as a result of cooperative membership. Processing of farm produce such as rice involves the use of sophisticated machineries such as de-stoner, cleaner; polisher etc. and the ownership of such machines may be beyond the means of the ordinary farmer. Such farmer might have to take his rice produce to a mill where he will be requiring bearing certain cost to process his product. The members also claim to have attracted better prices for their product after processing at a reduced cost.

Access to favorable market through cooperative marketing has a mean score of 2.86 which is below the neutral point of 3. This implies that despite been a member of a cooperative society, the members still had no access to favorable market. Employment opportunity has a mean score of 2.03 which is below the neutral point of 3. This suggests that the cooperative societies have in one way or the other not being able to provide employment opportunities of its members.

## CONCLUSION AND RECOMMENDATIONS

The findings revealed that the cooperators are still in their active age. Also, the study shows male dominate the membership of the cooperative in the study area. This could be as a result of the fact that men are more actively productive and efficient in farming practices due to the labour-intensive nature of agriculture, especially in a developing country like Nigeria. The study recommend that Cooperative societies should sensitize female farmers on the importance of membership participation and cohesion in cooperative societies. This will help establish a good relationship and reduce conflict among farmer in the study area. Majority of the respondents have been farming for very long times which indicate that it's their major source of income. Stakeholders should therefore support these societies as thus will encourage more membership, especially female farmers and hence, improved standard of living of the rural dwellers.

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