



IMPACT OF AGRICULTURAL COOPERATIVE TO THE ECONOMIC DEVELOPMENT OF KOGI STATE, NIGERIA

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ABSTRACT

The study was conducted in Kogi State Nigeria to examine the contribution of agricultural Cooperatives to the economic development of Kogi State. The primary development of Kogi State. The primary data for the study were obtained using structural questionnaire and oral interview the questionnaire were administered to 286 Farmers randomly sampled from both members and non-members of different Agricultural Cooperatives Societies in the study area. The result showed 64 percent had farm side between 1.2 hectre and over 40 percent had farm experience ranging from 10–15 years. However, there was a co-relation between perceived effectiveness of Cooperative Societies as their total income of members of Farmers Cooperative is higher than non – members. It is the recommendation of the study that extensive agents in the area should enlighten the Farmers of Agriculture Cooperative with a view of enhancing their access to production technologies leading to their increases output and income.

1.1 BACKGROUND OF THE STUDY

Cooperative is a natural idea among human beings. People have been cooperating with each other in one way or another since the dawn of human history (Lekhi and Singh 2012). The Cooperative movement has an objective, an idea and a purpose. Margeret Dighy cited in Lekhi and Singh (2012), opines only through Cooperative Institutions can the common man influence the direction of social and economic change in a decision manner.

According to Ijere (1992) cooperatives, all over the world, are instrument of social and economic transformation. As an organization voluntarily entered into and democratically managed by the people, their impact in a country depends on the environment and priority in the national plan. The

economic problems of the society which cooperative organization are meant to solve extend from production to marketing, credit and thrift saving, processing, packaging and storage. Cooperative have a great potential in achieving these favourable changes, bearing in mind their inherent emphasis on Cooperative Education, Democratic Government, equitable sharing of dividends and the observation of ethical values in business.

One of the most discussed issues in Nigeria in recent times is that of agricultural development. Agriculture is a major sector in developed economies. It's importance become more paramount and manifest in an economy undergoing structural adjustment like Nigeria economy. Agriculture plays fundamentals roles in the development of economy of any nation, this is due to its contribution to the gross domestic



product (GDP), generation of gainful employment, provision of food and fibre for the teeming population, provision of raw materials to industries and foreign exchange returns to Nigeria and Nigerians CBN (1998). Experience has shown, according to Edowu (1986) that no modern developed Countries around the world achieved rapid industrialization without having previously or simultaneously attained a market increase in agricultural production.

In recognition of the importance of agriculture in the Nigeria economy successive government in Nigeria have undertaken various policy measures to revitalize the agricultural sector. In all this policy variable, there is little consensus with respect to the most appropriate strategy for securing increased farm output and productivity in an underdeveloped economy like Nigeria. The Farmers in Nigeria are never in the position to finance such investments out of their own personal savings. Thus, "outside funding" is generally considered necessary in order to induce more capital investment in the agricultural sector of the economy.

Despite the fact that the Nation is blessed with abundant human and natural resources which are favourable for agricultural development, agriculture in Nigeria is dominated by small scale farmers, who are responsible for about 90 percent of the total production. These Farmers are characterized by low farm income and low technological in-put, Agriculture in Nigeria is characterized by a multitude of small scale Farmers over a wide expanse of land area, with holding ranging from 0.5 to 03 hectares Ijere (1992) observed that they engaged largely in subsistence farming and thus have limited turn over and income. The most organization is the family unit, made up of the man, his wife or wife or wives and children. Demand for increased production will call for a change in the above arrangement, it will mean bringing Farmers together.

Undoubtedly, most government projects will demands an organization far beyond what the family can offer. Thus, irrigation schemes, large – scale farming such as farm settlement, group farm, integrated agricultural projects and national accelerated food production schemes are best carried out under consolidated agricultural holding drawing from hired labour and enjoying a suitable marketing arrangements.

Only Cooperative Association can satisfy the above requirements. The Cooperative Association possess the legal arrangements recognized and guaranteed by the state, with checks and balances for the protection of both the members and the economy; cooperatives have the advantages of large members

and better organization and therefore can obtain loan at extremely low cost. In addition, cooperatives are also admirable suited for investment of funds in viable project, approved by knowledgeable Officers.

1.2 CONCEPT CLARIFICATION

According to Lekhi and Singh (2012) the concept of Cooperative have been differently defined by different Authors, according to economic ends by honest means, it is also essential in many forms of co-operation that the individuals possess a personal knowledge of one another." In other words, It is a form of Organization wherein the persons voluntarily associate together as human beings on the basis of equality in the promotion of economic interest of themselves." "Cooperative as means of better business, better farming and better living." Ijere (1992) regarded it as abandonment of competition in distribution and production and elimination of middlemen of all kinds " Moreover, Odebanjo (1981) defined a Cooperative Society as " an association for the purpose of joint trading originating from the weak and conducted always in an unselfish spirit in such terms that all who conducted themselves always in an unselfish spirit in such terms that all who are prepared to assume the duties of membership may share its rewards in proportion to the degree in which they make use of association.

Albert (1998) defined Cooperation as "Something more than a system. It is a spirit which appeals to the heart and the mind. It is a religion applied to business. It is a gospel of self-sufficiency and service. According to Chukwu (1992) Cooperative is the "Act of persons, voluntarily united, for utilizing reciprocally their own forces, resources or both under their mutual arrangement to their common profit or loss. Dabey (2009), Co-operator of our Country defined "Cooperatives as the only one aspect of a vast movement which promotes voluntary association of individuals having common needs who combined towards achievement of common economic ends.

1.3 PLACE OF CO-OPERATIVE IN ECONOMIC DEVELOPMENT

It has been recognized that the cooperative organization has its roots in different parts of the world. The economic organization brought about by industries in Europe did create a situation of suffering. In that situation Cooperative emerged out of the sheer urge for living better than they were experiencing life at that time. Thus, it could be said to be a revolt against the exploitative measures of early Capitalism.



According to Lekhi and Singh (2012) Cooperative in England emerged with Consumers. At the same time, according to Lekhi and Singh (2012) – Delitzch brought about Cooperatives for the credit need of small Farmers in German. Since then the Cooperative movement spread in other Countries of the world, presently, it is functioning in one form or the other in every Country of the globe. Although Cooperative emerged as simple form of Organization against the prevailing Capitalist form of Organization, yet it was realized that it must have distinct basis on which it has to work. By its very nature, it had to work on different principles. Thus, a cooperative is a voluntary and organized association of a number of Individuals, dominated by common needs for the purpose of carrying on collectively and independently an economic function. It is an Organization of weaker sections of economic units to better their lots through collective work. Some people regard it as a socialist movement and a revolt against the capitalist system. But it will show that it is not socialism as understood by most of us. Socialism directs attention prominently to the ownership of the means of production and distribution of income. In reality, some socialist politicians were opposed to it for the fear that it would divert the working class from its struggle for political power. To Marxists, co-operation was one of the many devices used by the bourgeoisie democracy to hamper the development of socialist awareness among the working class (Abrahamsen 1976).

Abbot (1987) observed that cooperation is a special form of industrial entrepreneurship. It is a collective entrepreneurial activity; it was concern by people who were not prepare to tolerate the extortion of usuries and traders; and has in it the societies are able to draw devoted supporters is the result instinctive sympathy which we all feel towards weaker persons.

Arua (1988) in his own contribution observed that Cooperative is a form of Organization emerged in the capitalistic economies. It works successfully when there exist the conditions of monopoly and imperfections. It may not emerge when competition is working all right when the Private Ownership of the means of productions is discouraged, cooperative becomes the most acceptable system for organizing its economics activities. It has developed in different societies according to the varying urges of the people in different surrounding.

In context of our Country according to Chukwu (1990) Cooperative movement started under a different background than in the European Countries. In India it did not emerge voluntarily as a result of the conscious choices of economic units. It originated with the government Policy. The weak

here were, and even now are, too weak to organizing themselves and doing something effectively, it requires some level at which they must be. In the social framework of our poor in the rural areas are really “took Weak” to organize themselves. The landless Labourers, a large number of marginal laws, under heavy indebtedness and hardly enough to have one full meal are reasons for the hope of having the capacity to organize them-selves to improve their lots.

It is true that their lot could be improved to a large extent if they organized themselves into cooperatives. But it does require extraneous effort. To achieve this, the Government policy provide a passage cooperative act, 1995 else where the cooperative movement developed as a result of leadership provide by Philanthropist and among the Co-operators themselves or, alternatively by the government in a very large measure.

1.4 SCOPE OF COOPERATIVE ORGANIZATION

The development of cooperative organization so far has been smaller economic units. Starting with small primary units cooperatives later developed into huge organ. But instances show that although cooperative organization have extend in several fields of economic activity but still it is limited to a few fields. It has a limited courage in most highly industrialized Countries. Trading in specialized goods may easily come within cooperatives business. When a society become rich, cooperative does not appear to have much to offer because it is believed that prosperity may be one of the reason why consumer cooperative movement stagnated.

Dubey (2009) in his own contribution observed that Cooperatives have enormous scope where weak economic units predominate As in our Country, there are large number of small units in agricultural business, vast numbers of small industrial Enterprises, Artisans, labourers be limited to the extent of mutuality in the business. It may not be present in die working of a complete business with divergent interests. When numbers of independent economic units do not come together for a common purpose, a Cooperative Organization could not be developed to integrated systems of public utilities catering for the generality of the public are not appropriate for Cooperative form of business.

In the same fashion, in activities, especially mining and manufacturing could not be initiated by a body of independent producers and consumers, the cooperative form could not be established. Thus, Dadgil () has rightly opined that “while cooperative organization offers an eminently flexible structure for



obtaining, in a wide variety of context, the benefits of large scale operation it appears to have large place, in particular, in public utilities and modern Industrial production.

2. METHODOLOGY

This research work was carried out in Kogi State of Nigeria. It is one of the North Central State of Nigeria sharing boundaries with Niger, Nassarawa, and Federal Capital Territory Abuja to the North. The State is bordered by Benue State to the East, to the South by Edo, Enugu, Ekiti and Ondo States and the West by Kwara State, Kogi State lies between longitude of 5.45⁰ to 8.30⁰ East of the Greenwich Meridian. The annual rainfall ranges between 1016mm to 1524mm, temperature ranges between 24^oc and 27^oc, thus making it suitable for farming in the State. The total land area is 30,345,742 square kilometres and ranked the 5th largest State in the Country. Kogi State has four (4) Agricultural Zone, Aiyetoro-gbede Agricultural Zone and Konto-Keffi Agricultural Zone.

The data for the study were collected from the main sources, that is, primary and secondary sources. The primary data were collected by the use of structural questionnaire. These were administered personally and through the help of an extension Agents, Cooperative Staff and member Farmers of various Cooperative Societies in the area. The secondary data were collected from the Ministry of Commerce Industries and Cooperatives, Ministry of Agriculture and Internet, other relevant materials including Journals articles and textbooks.

Data used for this study were collected from both member Farmers of various Agricultural

Cooperatives in the area and other non-member farmers of Cooperatives in the study area.

A multi-stage random sampling technique was used in selecting a total number of 286 Respondents for the study. The first stage was a random selected of 143 farmer members of various Agricultural Cooperatives. The second stage involved a random selection of another set of member farmers of agricultural Cooperatives in the study area.

The analytical tools used in this study to achieve the objectives are descriptive statistics (that is, frequency distribution, percentages and means and inferential statistics (Chi-square and Pearson correlation) were used to analyse data collected for the study. Hypotheses were tested at 5% level of significant. Level of participation was measure on 3 point Likert scale of rating three (3) full participation, which are (2) in partial participation and non-participation rates one (1). The mean participation score was computed for each respondent perceived effectiveness of agricultural cooperatives societies in meeting members need was also measured on 3 points likert rating scale three (3) very effective, two(2) effective while one (1) not effective. The mean effectiveness score was calculated for each respondent

3. RESULTS AND DISCUSSION

3.1 SOCIO-ECONOMIC CHARACTERISTICS OF THE RESPONDENTS

Some socio-economic characteristics may influence Farmers participations in Cooperative Societies. The variables considered in this study are: age, gender, marital status, have hold size level of education and farm size of respondent.

Table 1: Socio-Economic Characteristic of Respondents (n = 286)

VARIABLES	FREQUENCY	PERCENTAGE (%)
Age		
20 – 30	40	13.98
31 – 40	140	48.95
41 – 40	80	27.97
51 and above	26	9.09
TOTAL	286	100.00
Gender		
Male	220	76.93
Female	66	23.07
TOTAL	286	100.00
Marital Status		
Single	60	20.92
Married	140	48.95



Divorced	50	17.48
Widow	36	12.58
TOTAL	286	100.00

VARIABLE	FREQUENCY	PERCENTAGES (%)
Farm Size (Hectres)		
0.5 – 1.0	60	27.97
1.0 – 2.0	120	41.95
2.0 – 3.0	60	20.97
3.0 – 4.0	26	9.09
TOTAL	286	100.00
VARIABLE	FREQUENCY	PERCENTAGES (%)
Farming Experience (years)		
11 – 15	80	27.97
16 – 20	100	34.96
21 – 25	60	20.97
26 above	16	5.59
TOTAL	286	100.00

VARIABLE	FREQUENCY	PERCENTAGES (%)
Educational Qualification		
No formal Edu.	130	45.45
Primary Education	100	34.96
Secondary	36	23.07
Tertiary Education	20	6.99
TOTAL	286	100.00

Source: Field Survey 2014

TABLE 1, showed that 48 percent of the respondents were between the age of 31 – 40 years, followed by 27 percent were between the age of 41 – 50 years. This implies that at least two thirds of the Respondents were still economically active and at their production stage. The table also reveals that majority of the respondents are male (76 percent). Moreover, 48 percent are married 65 percent had 5 –

10 household members. Generally in Nigeria settlements, a large family size guarantee free and cheaper labour. The model class of no formal education showed 45 percent followed by primary education (34%). This is not surprising outcome as the State is among the educationally disadvantage State in Nigeria.

TABLE 2: Membership of Cooperative Societies in the Areas

VARIABLE	FREQUENCY	PERCENTAGES (%)
Farmers Cooperative	100	35.06
Marketing Cooperative	36	17.80
Multi-purpose Cooperative Society	140	48.00
TOTAL	286	100.00

Sources: Field Survey 2014

Table 2, showed membership of Farmers in various Cooperative Societies Multi-purpose Cooperative Societies had 48 percent while Farmers Cooperatives Societies had 35 percent, while Marketing Cooperative Societies had 17 percent. Agricultural cooperatives are needed to help members to solve of their problems collectively, instead of looking up to Government for help.

Finding in this study revealed that members have benefited from Cooperatives in their major area such as; crop loan, farm inputs, social benefits, transport and storage.

**TABLE 3; Distribution of Respondents according to the benefits derived from the Cooperative Societies.**

VARIABLE	FREQUENCY		TOTAL
	Benefit (%)	No Benefits (%)	
Crops	160 (55.94)	126 (44.05)	286
Credits facilities	200 (69.95)	86 (30.06)	286
Farm Input	240 (83.91)	46 (16.08)	286
Social benefits	260 (90.90)	26 (9.09)	286
Transport	180 (62.93)	106(37.06)	286
Storage Facilities	212 (94.12)	74 (25.87)	286

Source: Field Survey 2014

Table 3; indicated that 90 percent had benefited socially while farm input ranked second with 83 percent. Others are storage facilities with 74 percent and 69 percent for credit facilities. Moreover, transport facilities 62 percent and crop loans 55 percent are the least benefits the farmers enjoyed. In

view of this, the Nigeria government since independence has bestowed on Cooperative Societies administrative privilege because it is most convenient to recognize the Cooperative System as an important instrument to achieve the economic and social transformation of a Nation.

VARIABLE	FREQUENCY	PERCENTAGES (%)
Personal saving	240	83.91
Relations/French	30	10.91
Money lender	16	5.59
TOTAL	286	100.00

Source: Field Survey 2014

Table 4 showed the source of funds for farming practice by the respondents 83 percent depends on personal saving, 10 percent depends on relatives and friends and 5 percent depends on money lenders. Finance is the basis needs and sine quo-non for any economic activities concerned with

agriculture. Lekhi etal (2012) observed that finance have been recognized as the life blood of all economic activities, agriculture needs credit, Lekhi concluded that Credit supports the Farmers as the Harmgan's rope supports the hanges.

TABLE 5: Level of Farmer participation in Agricultural Cooperatives Societies in the Area

LEVEL OF PARTICIPATION	FREQUENCY	PERCENTAGES (%)
Full participation	184	64.33
Partial participation	62	21.76
No participation	40	13.98
TOTAL	286	100.00

Source: Field Survey 2014

Table 5 showed that 64 percent of the Respondents fully participated in Cooperative Societies they belong, 21 percent partial participated

in the activities of Agricultural Cooperative, while 13 percent inactive Participants in their Cooperative activities.

TABLE 6: PERCIEVED EFFECTIVENESS OF COOPERATIVE SOCIETIES

EFFECTIVENESS	FREQUENCY	PERCENTAGES (%)
Very Effective	270	76.92
Effective	46	16.07
Not Effective	10	3.44
TOTAL	286	100.00

Source: Field Survey 2012



Table 6 showed the Individual perception on the effectiveness of agricultural Cooperative Societies. 76 percent considered Agricultural Cooperatives as an effective means of meeting the needs of the farmed in the area; while others have different view.

TABLE 7: PROBLEM ENCOUNTERED IN FARMING PRACTICE

VARIABLE	FREQUENCY	PERCENTAGES (%)
Lack of finance	286	100.00
Lack of storage facilities	240	83.91
Lack of crude farming tool	260	90.90
Lack of fertilizer and insecticide	220	76.92
Transportation	700	69.93

Multi Response: Source: Field Survey 2014

Table 7 showed the problems encountered by Farmer in the area. All the respondent indicated that finance, farming tools, storage facilities are some of the major problems faced by members of the agricultural Cooperative in the study area.

CONCLUSION AND RECOMMENDATION

The study revealed they are aware of Agricultural Cooperative Societies and members have benefited in one way or the other. They participated fully in the activities of their Societies. The agricultural Cooperative Societies in the area could not meet their demand as a result of lack of finance of carry out their objectives. Extension agents in the area should enlighten the farmer about the benefits derivable by Farmers of agricultural Cooperatives Societies with view to enhancing their access to production resources as well as widening the scope Farmers' participation. It is the recommendation of the paper that government should support agricultural Cooperatives by injecting funds to enhance their farming business leading to increased output.

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