

SOKOINE UNIVERSITY OF AGRICULTURE



COLLEGE OF SOCIAL SCIENCES AND HUMANITIES

DEPARTMENT OF DEVELOPMENT STUDIES

BACHELAR OF RURAL DEVELOPMENT

SPECIAL PROJECT PROPOSAL

**TITLE: THE BENEFITS OF A FARMERS COOPERATIVE TO THE WELL BEING
OF ITS MEMBERS: CASE STUDY OF LUGALUGA COOPERATIVE, MOROGORO**

NAME OF STUDENT : CHAMMY PRISCUS

NAME OF SUPERVISOR: PROF. DAVID MHANDO

ABSTRACT

This research has been done in Morogoro municipal to the benefits of a farmers cooperative to the wellbeing of its member's case study of lugaluga cooperative, morogoro. Specifically, the study aims to understand the benefits that attained by members who are join in cooperatives. To investigate on the type of benefits that provide in the cooperatives that the farmers prefers and to assess and improving community social economic development. A cross section research design was adopted. Purposive random sampling was used to acquire a total sample size of 55 respondents from lugaluga cooperatives found in mororgoro municipal respectively. Data were collected through administered questionnaires. Statistical Package for Social Science programed was used for analyzing quantitative data, whereby descriptive statistics, include frequencies and descriptive were carried out. The content analysis was used to analyze qualitative information where by collected data were broken down into smallest meaningful units of information or themes and tendencies and analyzed in detail.

DECLARATION

I, CHAMMY PRISCUS, do hereby declare to neither the Senate of Sokoine University of Agriculture that this dissertation is my own original work and has never been submitted nor concurrently being submitted for a degree award in any other institution.

Chammy Priscus
(BA Candidate)

Date

The above declaration is confirmed

Prof David Mhando.
(Supervisor)

Date

COPYRIGHT

No part of this dissertation may be reproduced, stored in any retrieval system; electronic Mechanical, photocopying or otherwise without prior written permission of the author or Sokoine University of Agriculture in that of behalf.

ACKNOWLEDGEMENT

I thank the Almighty God who helped me in every step in my studies. I owe a debt of gratitude to Prof David Mhando. of the Development Studies Institute for guiding me throughout the process of developing this Dissertation. A word of gratitude is also extended to the staff and students of Development Studies Institute (BRD 2016/2019) for the smooth and friendly communication throughout my study period; their comments were instrumental in shaping my study, especially during the preparation of the research proposal. I also wish to express my sincere gratitude to my beloved parents to whom I shall always remain gratefully indebted for their untiring love, moral and material support. These are the people who laid the foundation stone of my education. Lastly, I extend my sincere appreciation to my friends Abdin Haruna (Lelwo), Urassa Joshua and Henry Msika, colleagues and all other individuals who, in one way or another, assisted me at different stages of my study. Their contribution is in no way being belittled by not acknowledging each one by name. I say thank you all.

DEDICATION

This work is dedicated to my father MR EVARISTY EMMANUEL CHAMMY, my mother MARY CHAMMY, my grandmothers FLORIANE EMMANUEL and my lovely brother EDGER CHAMMY.

TABLE OF CONTENTS

ABSTRACT.....	i
DECLARATION	ii
COPYRIGHT.....	iii
ACKNOWLEDGEMENT	iv
DEDICATION.....	v
TABLE OF CONTENTS.....	vi
LIST OF TABLES.....	Error! Bookmark not defined.
CHAPTER ONE.....	1
1.0. INTRODUCTION	1
1.1 Background information.....	1
1.2. Problem Statement.....	2
1.4 Objectives of Study.....	3
1.4.1. General objective:.....	3
1.4.3 Research Questions:.....	3
1.3. Justification of the study	3
CHAPTER TWO.....	4
2.0 LITERATURE RIVIEW	4
2.1 Definitions of the key terms.....	4
2.1.1 Cooperative.....	4
2.1.2 Farmers’ Cooperative in Tanzania.....	4
2.1.3 Role of farmer’s cooperatives to the wellbeing of their members.....	5
2.1.4 Challenges of farmers cooperatives.....	5
2.1.5 The concepts of wellbeing.....	9

2.1.6 Literature review	10
2.5. Conceptual Framework about Farmer Cooperatives	11
CHAPTER THREE	12
RESEARCH METHODOLOGY	12
3.1 Description of the study site	12
3.2. Population, Sampling population and Sampling techniques	12
3.2.1 Population	12
3.2.2. Sampling Size	12
3.2.3. Sampling Procedure.....	12
3.2.4 Type of Data to be collected	12
3.5 Methods of Data collection.....	13
3.5.1 Questanionare	13
3.5.2. Interviews.....	13
3.6 Methods of data analysis.....	13
CHAPTER FOUR.....	14
4.0 RESULTS AND DISCUSSION.....	14
4.1 Overview.....	14
4.2 Demographic and Socio-Economic Characteristics of Respondents.....	14
4.2.1 Sex of the respondents	14
4.2.2 Age of the respondents.....	14
4.2.3 Education and occupation of respondents.....	15
4.3 Cooperative assistance to farmers.....	16
4.4 Understanding of the members on the benefits of being members in a farmers cooperatives	16
4.5 Examine the challenges.....	17

4.6 Identify types of benefits farmers attain from cooperatives**Error! Bookmark not defined.**

CHAPTER FIVE 21

APPENDICES 27

Appendix I Questionnaire 27

APPENDEX II Interview guide..... 33

CHAPTER ONE

1.0. INTRODUCTION

1.1 Background information

Cooperatives is an autonomous association of persons united voluntarily to meet a common economic, social and culture needs and aspirations through a jointly owned and democratically-controlled enterprise (Bello, 2005). Cooperatives are formed in order to meet the needs of their member. The focus is on services to members, not on bringing a return to investors. The cooperatives provide profit are returned to member so member benefits from business they do with the cooperatives, The decisions which are made democratically by the membership provide a strong direction that is supported across the organization (Bello, 2005).

Although there is no consistency to the exact origin of the co-operative movement, academics argue the origins lie within Europe (Holyoake, 1908; Shaffer, 1999;). The first recorded co-operatives date back to 1750 in France, where local cheese makers in the community of Franche-Comté established a producer cheese cooperative. Within the decade, co-operatives had developed in France, United Kingdom, United States and Greece. In 1844 the Equitable Pioneers of Rochdale Society (EPRS) was formed. With the goal of social improvement, twenty-eight unemployed community members saw the opportunity to pool their limited resources and attempt cooperation for the good of the group. Even though co-operatives appeared in the previous, century Rochdale is seen as the first ‘modern’ cooperative since it was where the co-operative principles were developed (Gibson, 2005; and Abell, 2004).

The successful example of cooperative business is provided by the Rochdale Society, which was established between 1850 and 1855 a flourmill, a shoe factory, and a textile plant, was quickly emulated throughout the country. By 1863 more than 400 British cooperative associations, modelled after the Rochdale Society, were in operation. Thereafter the English movement grew steadily, becoming the model for similar movements worldwide. Notable among the European countries in which consumer cooperation received early popular support were France, Germany, Belgium, Austria, Italy, Denmark, Finland, Norway, and Sweden (Abell, 2004).

In Tanzania co-operatives have a long history, dating back to the late 1920s. They played a vital role in rural and urban economic and social development (Bibby, 2006). Recently, however their images have become a negative one to some of co-operatives. Some cooperatives seem to be

unable to cope with modern economic realities since their image has been tarnished by poor administration, leadership, business practice and corruption (Bibby, 2006).

The history of co-operatives in Tanzania dates as far back as 1925 when the Kilimanjaro Native Planters Association (KNPA) was formed. Farmers in Tanzania mainland especially the Chagga Moshi started informal co-operatives in 1925 so that they could capture part of the trade profit from their crops. The Colonial government passed the first Cooperative legislation in 1932 when the Co-operatives Ordinance was enacted. While the first Primary Cooperative Society was Kibongoto rural primary cooperative Society which was registered in 1932, the first cooperative union in the country was the Kilimanjaro Native Cooperative Union (KNCU), which was registered with its eleven affiliated primary co-operatives on 1st of January 1933 (Maghimbi, 2010).

The Ngoni-Matengo cooperative Union and its three affiliated primary co-operatives was registered in 1936 in Songea. In the 1940s and 1950s other co-operatives unions were formed and registered. These were the Bugufi Coffee Cooperative Society in Ngara district and Mwakaleli Coffee Growers Association in the Rungwe district. The latter went on to change its name to Rungwe African Cooperative Union (RACU) in 1949. Others were the Bukoba Native Cooperative Union in Bukoba district, and the Lake Province Growers Association in the Lake Victoria area, which later changed its name to the Victoria Federation of Cooperative Unions Limited (VFCU) (Bibby, A. 2006.)

After independence, the Government policy was to make the cooperative movement an engine for economic development. Through a number of legislations, cooperatives were systematically promoted to an important tool for transforming rural community production into a socialist planned economy (Williamson, o. E. 2011).

1.2. Problem Statement

In developing countries specifically in Tanzania farmers are faced the extremes exploitation despite of the existence of farmer cooperatives (Sumelius, J.2013), were considered as the critical solution to the problem of the market and funds, the farmer stills face these problem that block agricultural success ,according to(Hanisch, P. D. 2015-2016). Argue on why farmers face a lot of problem in spite the existence of farmer's cooperatives but not explain which the best solution for the farmers could be to solve their problems.

Despite of the presence of a farmers cooperatives still there is existence of the gap also the market still are big problem, in third world countries. Far from the fact farmer's cooperatives plays crucial role in improving wellbeing of the peoples living in the rural areas.

1.4 Objectives of Study.

1.4.1. General objective:

- To assess how members of a Lugaluga cooperative are benefitted from their cooperatives

1.4.2. Specific Objectives:

- To assess how farmers' cooperative assists farmers solving their market challenges.
- To examine member understanding on the benefits of been a member's farmer cooperatives.
- Examine the challenges facing members of a farmer cooperative.
- To identify the types of benefits farmers attain from cooperatives.

1.4.3 Research Questions:

- Are the farmers' cooperatives assists farmers solving farmers' challenges?
- How Famers cooperatives provide benefits to farmers members?
- Why and how Farmers cooperatives examines the challenges that facing farmer in their cooperatives?

1.3. Justification of the study

Morogoro municipal has experience farmer are suffer by this problem of exploitation of their production by middle man also the market problems of their product such as the maize. This study is in line with Nation Policy and Strategy such as Agriculture Policy, so for doing this Study it helps Farmer to know how the farmer cooperatives are best than use middle man in order to reduce rate of exploitation.

CHAPTER TWO

2.0 LITERATURE RIVIEW

2.1 Definitions of the key terms

In this section the following terms will be used with the particular meanings as follows

2.1.1 Cooperative

(Philips, 2005) defines a cooperative as a business association of firms or households and an economic institution through which economic activity is conducted in the pursuit of economic objectives (Sharada, 1986). This definition does not say anything about the functioning of cooperative society. It does not show how a cooperative society is distinguished from other business organizations.

International Cooperative Alliance (ICA, 1996) define a co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and or cultural needs and aspirations through a jointly owned and democratically controlled enterprise (ICA, 1996). Since its creation in 1895, the International Cooperative Alliance (ICA) has been the final authority for defining cooperative and for elaborating the principles upon which cooperative should be based (ICA, 1996). At its Manchester Congress in September, 1995, ICA adopted a statement on cooperative identity which included a listing of the movement's key values and a revised set of principles intended to guide cooperative organization at the beginning of twenty first century. The statement emphasizes that principles that form the heart of co-operatives are not independent of each other. They are subtly linked; when one is ignored, all are diminished. Cooperatives should not be judged exclusively on the basis of any one principle; rather, they should be evaluated on how well they adhere to the principles as an entirety.

2.1.2 Farmers' Cooperative in Tanzania.

In Cooperatives are community-based, rooted in democracy, flexible, and have participatory involvement, which makes them well suited for economic development (Gertler, 2001). The process of developing and sustaining a cooperative involves the processes of developing and promoting community spirit, identity and social organization as cooperatives play an increasingly important role worldwide in poverty reduction, facilitating job creation, economic growth and social development (Gibson, 2005).

Cooperatives are viewed as important tools for improving the living and working conditions of both women and men. Since the users of the services they provide owned them, cooperatives make decisions that balance the need for profitability with the welfare of their members and the community, which they serve. As cooperatives foster economies of scope and scale, they increase the bargaining power of their members providing them, among others benefits, higher income and social protection. Hence, cooperatives accord members opportunity, protection and empowerment - essential elements in uplifting them from degradation and poverty (Somavia, 2002). As governments around the world cut services and withdraw from regulating markets, cooperatives are being considered useful mechanisms to manage risk for members and keep markets efficient (Henehan, 1997).

2.1.3 Role of farmer's cooperatives to the wellbeing of their members

In a number of ways, cooperatives play important role in global and national economic and social development. With regard to economic and social development, cooperatives promote the “fullest participation of all people” and facilitate a more equitable distribution of the benefits of globalization. They contribute to sustainable human development and have an important role to play in combating social exclusion. Thus the promotion of cooperatives should be considered as one of the pillars of national and international economic and social development (Levin, 2002).

In addition to the direct benefits they provide to members, cooperatives strengthen the communities in which they operate. According to (Somavia 2002) cooperatives are specifically seen as significant tools for the creation of decent jobs and for the mobilization of resources for income generation. Many cooperatives provide jobs and pay local taxes because they operate in specific geographical regions. Levin (2002) it is estimated that cooperatives employ more than 100 million men and women worldwide especially in Developing Countries.

2.1.4 Challenges of farmers cooperatives.

Fall in coffee productivity and quality challenges

The accessibility of markets and better price agricultural marketing co-operatives depends much on the level of productivity and quality of the produce. In the both Mweka Sungu and Uru North Njari AMCOS, the respondents indicate the fall of productivity of coffee from members. This was found to be the result of climate change in the region accompanied with intensive solar

radiation and little rainfall, coffee diseases, inadequate capacity to get farm inputs at right quantity and time as well as domination of old (more aged) coffee plants that having low yield. Members have also decided to grow other crops instead of coffee due to price uncertainties in local and foreign markets. The study by Ponte, (2001); Baffes, (2003) indicated that, there had been a clear shift from high to low qualities well before the policy changes of the 1990s. The reasons for the declines appear to be nationalization of estates; aging coffee trees, rundown central pulperies, forcing farmers to do their own primary processing; the spread of coffee berry disease after 1975 to all Arabica growing areas of the country; and the failure to introduce new disease-resistant high-yielding varieties.

Old system of farming

The traditional farming system is still dominant in Moshi district. The mixed farming system is dominant among the natives mostly due to land scarcity to grow different crops at different farms. Since in the same farms, coffee plants are mixed with beans, maize and banana plants, it causes congestion and competition for nutrients hence coffee do not grow well. During the field visit, it was identified that that farmers did mixed farming due to scarcity of land to grow coffee and food crops separately and also members are not certain with the trend of coffee prices in world markets so they fear to get loss if decide to grow much coffee than food crops. This has also created a serious challenge in adapting organic coffee farming practice that demand for reduces number of banana plants and avoid growing other crops in the same farm.

Cost implication in planting new or replacing old coffee

Among the efforts aimed to increase productivity from coffee co-operatives in Moshi district was to introduce new coffee seedling/species that have high yield and also tolerant to drought and diseases. However the initiative to make this transformation depends much on members' willingness to adapt and be ready to incur the costs associated with this initiative. In this study it was identified that one of the major challenge preventing members to accept organic farming are the costs related to transforming from inorganic to organic coffee farming. The respondents from Mweka Sungu and Uru North Njari and few from Mruwia provided that members are being challenged by high cost for cutting and digging out old Anania, P & Rwekaza, G.C, MoCU

coffee plants reduce number of banana plants to allow more space for coffee and then digging the new pits for planting new coffee and time taken to plant these new coffee plants.

Late payment of members' money after selling coffee

The members of Mruwia, Mweka Sungu and Uru North Njari AMCOS found to face the challenge of late payment for their coffee once they sell through their co-operatives. For the case of Mruwia, such complaints are mainly short lived since the co-operative used bank loans (from KCBL) to buy coffee from the farmers instead of depending on the union it belongs (KNCI JVE also called G-32). In Uru North Njari and Mweka Sungu AMCOS, such problem is very serious these co-operatives depend on the Union (KNCU) to be given funds to buy coffee from members. Given financial problems (due to huge debt) of the Union, it failed to pay adequate amounts of money for coffee collected from members. This discouraged the members to sell their coffee through their co-operatives and decide to sell to private buyers hence minimize revenues of their co-operatives.

Price fluctuation in local and foreign markets

Price fluctuations in the local and foreign markets are another challenge facing the co-operatives and have discouraged production. As a result some members diversify into growing more food crops, keeping livestock and/or engage in small businesses. Low prices brings little profit (and sometime losses) to members as it cannot effectively cover the costs of production like preparing the farms, labour work applied, harvesting and transport expenses and access to farm inputs (like fertilizers, agrochemicals, storage facilities etc. Also members' incomes found to be largely affected by such price instabilities as they find themselves only covering production cost with little surplus remained. The prices also fall due to low quality of their produce. Milford, (2004) provided that constantly changing prices mean that coffee farmers all over the world live in a situation of uncertainty in which it is difficult to make plans for the future Therefore, in most cases, the reason for the low prices is overproduction and low quality. Similarly, Kodama, (2007) indicated that coffee farmers were particularly exposed to the international economy, in comparison with domestic staple food farmers. They suffer from export price fluctuations determined by foreign markets which are out of their control.

Debt burden after being required to contribute for the Union's debts

The respondents from Mruwia, Uru North Njari and Mweka Sungu AMCOS have provided that their co-operatives are faced with the need to pay a share of the Union debts for funds taken from banks (especially, CRDB bank). Currently the Union has a debt of about Tshs 3 billions. Each primary co-operative is required to contribute in paying the Union's debt. For example, Uru North Njari AMCOS was allocated to pay Tshs 16,774,660/= where Tshs 16,624,210 is the debt due to members' advanced payment. This happens when the Union bought coffee at higher prices from members then when sent to the world market, the price suddenly dropped, hence created loss and failure to repay bank loan. Also Tshs 150,450/= is the debt for sugar that the Union given on credit to be sold to the primary societies including Uru North Njari AMCOS. Since Mruwia AMCOS has left KNCU and joined G-32, it refused to contribute to debt. The heavy debt reduces the co-operatives' net surplus and increase burden to the co-operative members. The respondents also indicated the presence of the Union leaders who didn't serve interests of members of the primary societies. The puzzle of the Union still remains unsolved up to date as its presence is highly disconnected from the primary co-operatives.

Low women and youths participation/membership

Apart from other things, achievements in co-operatives depend on the level of participation and membership of the youths and women. The experience from Mweka Sungu, Mruwia and Uru North Njari AMCOS indicates the presence of many adult men members. These are caused by; the customary land laws which prevented women and youths from accessing land and utilize it for coffee production. The men are the one enjoying full access to land, and use youths and women to prepare the farms, dig pits and plant coffee, applying agrochemicals and harvesting. The older men become during the selling and collection of the sales revenues. This relates to the study by Ainebyona and R.M. Tiruhungwa, (2012) who found that, women participation both in membership and leadership of primary co-operative society activities in Kilimanjaro region was limited.

Technological constraints

In all the three studied co-operatives, they were found to be lacking computers to use in their operations. They are still using manual systems in operating their activities, for example keeping

financial records and other reports. This may lead to a risk of loss of information, possibility of fund misappropriation like staffs/leaders taking authorized loans and stealing co-operative funds. Similarly, in the comparative study of 450 co-operatives in Tanzania and Sri-Lanka, Birchall, (2008), identified also among the main constraints of co-operatives in Tanzania include lack of technical knowledge and access to new technology.

The other challenges identified in the field by this study are: presence of union leaders who are not serving interests of co-operative members, lack of entrepreneurial skills among co-operative members, resistance to change, decline in the size of arable land due to need of space (land) for building houses and burial activities for the families of co-operative members inadequate understanding of co-operative laws and policies, members do not understand well their rights and responsibilities and low educational levels of leaders (e.g. committees and Board members) and the staffs as well as limited capacity of the co-operatives to employ professional staffs.

2.1.5 The concepts of wellbeing

The concept of wellbeing is very broad and is applied to many situations for a variety of purposes (Paim, 1995). Applications of the concept range from specific domains of wellbeing, such as economic, material, social, and psychological, to all the domains impacting upon people. The diversity results from the different reasons there are for using the concept and different approaches to measuring it. The particular measure or measures that are used – or developed for use – in any particular context reflect the purpose of the measurement and the disciplinary and theoretical perspectives that inform the measurement.

Veenhoven (2004) suggests that, very broadly, the term ‘wellbeing’ “denotes that something is in a good state.” Beyond that, the term does not, in itself, specify what is in a good state, nor the criteria for being in a good state (Veenhoven, 2004). As with other ‘catchall’ terms, such as ‘progress’ and ‘welfare’ Veenhoven (2004) suggests that the term ‘wellbeing’ needs to be clarified by specifying what the term applies to and what constitutes it (a state of wellbeing). As far as the first question is concerned, the approaches to wellbeing that are discussed in this paper focus on the wellbeing of people, whether through the satisfaction of their preferences or the exercise of their capabilities. For the purposes of the EWAS study, wellbeing is being

investigated at several levels: the individual and collective levels. The latter including the community, ethnic and cultural groupings, and other groups of shared interest and/or characteristics. The second question, concerning what it is that constitutes wellbeing, is more contentious, but the answers really fall into two categories that align with the hedonic and eudemonic approaches. The hedonic approach focuses upon revealed subjective experience of pleasure or satisfaction, while the eudemonic approach ranges more broadly to consider either resources, such as income and wealth, or the things that people are able to do with the social, economic and material resources available to them.

2.1.6 Literature review

According on several views in different scholars I conclude on the following points which are the benefits which members of cooperatives are attained after join in any cooperatives, despite those challenges that facing

Improved members' income

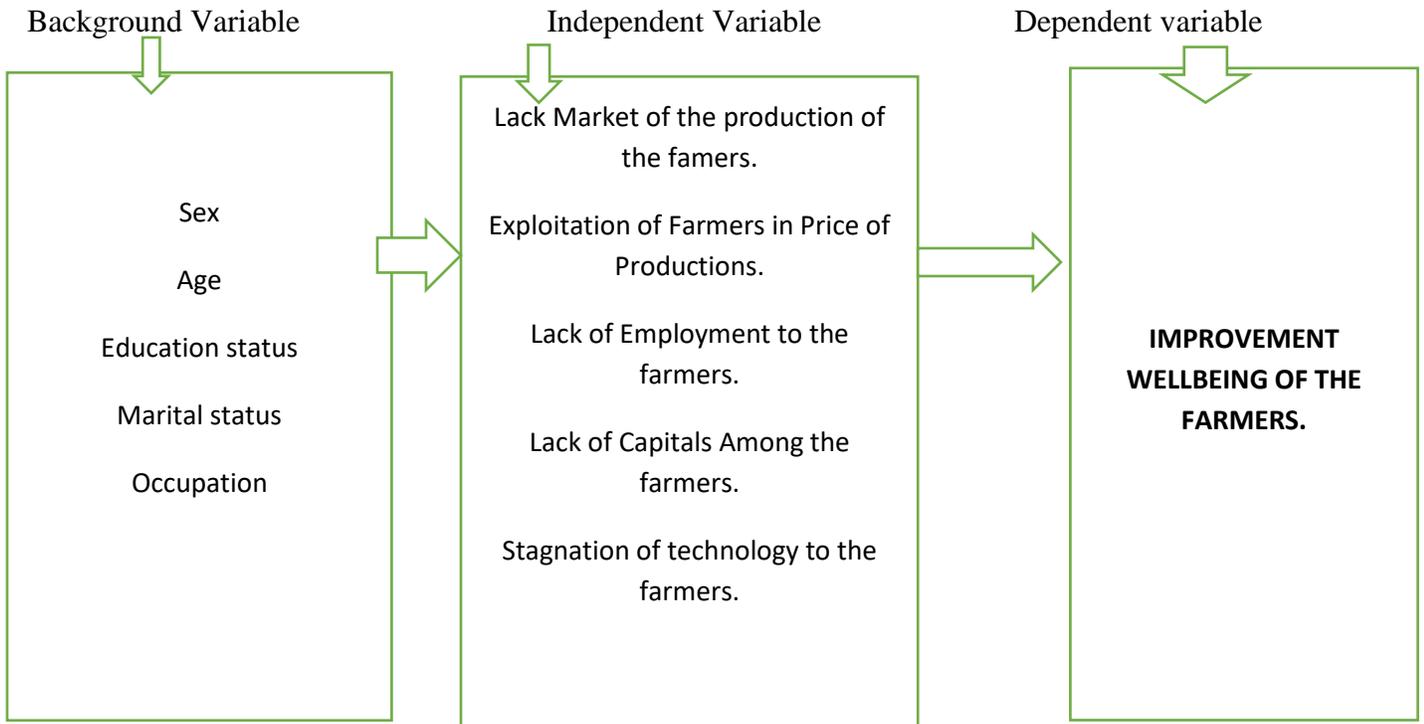
. The co-operatives have enabled their members to get a place to sell their crops (and get money from such sales. This have enabled members to get money to support their family and personal needs, access services, buy assets and other basic needs hence are able to transform from poverty to a good living standard and live above the income poverty line. For example in the works of Mather and Preston, (1990), Birchall and Simmons, (2009) provided that co-operatives conduct various business activities to help improving the incomes and help members escape from income poverty traps of their members. Birchall (2003) argued that cooperatives have the potential to reduce poverty and increase income, provided that their values and principles are respected.

Easy access and availability of affordable farm inputs

In others co-operatives of have enabled to reduce burden of members' access to farm inputs. , the co-operative members had to travel in long distance in search for affordably price inputs or otherwise had to buy at higher prices from the local retailers in their areas. Having understood the demand of their members, these co-operatives, through working with government and other stakeholders, they are helping their members to get affordable and high quality and quantity of farm inputs like fertilizers, agrochemicals (pesticides and fungicides), storage facilities, seeds and other necessary inputs). These efforts have resulted into increase in coffee productivity by

the three societies. Such as in the study by Chambo, (2009) revealed that agricultural co-operatives create the ability for the supply of required agricultural inputs so that production of commodities is done timely to enhance productivity. Also USDA, (1990) described farm supply cooperatives have been noted for providing supplies giving the greatest value-in-use to the farmer.

2.5. Conceptual Framework about Farmer Cooperatives



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Description of the study site

The study was conducted in Morogoro Urban which is among the six districts of The Morogoro Region of Tanzania. Other districts are Mvomero District, Morogoro Rural, Kilombero, Kilosa and Ulanga. It is bordered to the North by Tanga region, to the North East by the Pwani region, to the East and Southern by Morogoro Rural district and Urban Morogoro district and to the west by Kilosa district. This research site was selected purposely because it is closer to the Sokoine University of Agriculture, and thus, allow the researcher to conduct a research while continuing with other academic activities

3.2. Population, Sampling population and Sampling techniques

3.2.1 Population

It refers also to an entire group of elements that have at least one thing in common. This study therefore comprised of only one type of group which is 55 members of Lugaluga Farmer Cooperatives who cultivate different crops.

3.2.2. Sampling Size

The unit of analysed for this study was 55 farmers who are members of Morogoro Municipal Farmer Cooperatives. These members were randomly selected for the study. Five leaders of Cooperative was interviewed as well

3.2.3. Sampling Procedure.

This study applied simple random sampling, because of providing equal chances to every member of the population, include member of the cooperatives.

3.2.4 Type of Data to be collected

This study was collected two types of data; primary and secondary. The primary data was collected by using surveys and interviews.

3.5 Methods of Data collection

Data collection methods enable researcher together the required data. This study employed the following data collection method questionnaire and interviews.

3.5.1 Questionnaire Household Survey

Involved the asked different questions the respondents who are the members of lugaluga cooperatives member's, it's about 55 respondents.

3.5.2. Interviews

The researcher was conducted interviews and collected information to the key information's around the farmer cooperatives specifically farmers in order to get an in-depth information about how the farmer cooperatives improve their wellbeing's.

3.6 Methods of data analysis

The Statistical Package for Social Sciences (SPSS) was used to analyzed data and provide frequencies, percentages and number which will be presented. Therefore, the study used both quantitative and qualitative data analysis methods in an attempt to respond to the posed research questions. This is due to the fact that some data will be presented in terms of numbers and others in terms of descriptions (words).

CHAPTER FOUR

4.0 RESULTS AND DISCUSSION

4.1 Overview

This part presents the result of the study. The first section presents descriptive statistics showing the socio-demographic characteristics of sampled of farmer in cooperatives. The second shows the performance of the cooperatives. The third section gives the details of the results from the history and performance of the cooperatives and finally the income and credit history of the cooperatives in the fourth section.

4.2 Demographic and Socio-Economic Characteristics of Respondents

The socio-demographic characteristics of the respondents involved in the study were sex, age, and education level of the respondents.

4.2.1 Sex of the respondents

From the total number of respondents who were 55. The number of male respondents was 28 which is 50.9% and female respondents were 27 which made up of 49.1%. Thus, the study sampled almost at the same with the female using cooperatives acting like a self-employee to sell their products.

Figure for 4.2.1 Sex of the respondents

	Frequency	Percent
Male	28	50.9
Female	27	49.1
Total	55	100.0

4.2.2 Age of the respondents

. From this study the age variation factor is also considered where by the respondents age were categorized and characterized as follows; respondents with age from 18-25 were 23 and almost below of half of total number of respondents other age of respondents were as follows 26-50 years were 32 respondents. Findings also show many of respondents who are younger are using

cooperatives than older. 18-25 ages of respondents mostly using cooperatives in order to get loan from cooperatives and using a cooperative as instrument of getting employment.

Figure for 4.2.2 Data for Age of respondents

	Frequency	Percent
18-25	23	41.8
26-50	32	58.2
Total	55	100.0

4.2.3 Education and occupation of respondents

Education level of respondents is also important in determining the knowledge of the people to use cooperatives in their agriculture product which preferred and reliable to different level of education. From the study findings it revealed that most of secondary levels are preferred to using cooperatives this is because they have a little knowledge about the important of cooperative which are more used and assessed by respondents with secondary and college level of education. And last is occupation of respondents, where by activity which someone is engaging for, can have an impact of time and type of cooperatives in which he or she engaging for. As study findings shows that cooperatives users are those who engaged on small business and employee than who are farmers or engaged on farming because of time available on cooperatives.

Figure for 4.2.3 Data for education level of respondents

	Frequency	Percent
no education	6	10.9
Primary	19	34.5
Secondary	23	41.8
above secondary	7	12.7
Total	55	100.0

4.3 assistance rendered by Cooperative to farmers

The ole lugaluga cooperatives assist their members in some services like the provision of agriculture inputs which can help their members to engage in agriculture activities and to drives the daily life. Also the cooperative helps their farmers to get loans with the small amount of money, in case of employment also the cooperatives assists their members to get chances of employment such as in professional sectors like auditor and lawyers also the loans officers.

Figure for 4.3 Dooperative assistance to farmers

	Frequency	Percent
Input	11	20.0
Sales	12	21.8
Employment	15	27.3
Loans	15	27.3
Others	2	3.6

4.4 Benefits of being members in a farmers cooperatives

This cooperatives society seem to be more important management since most of their members pursue a lot of benefits from this cooperative, for stance some members in cooperative has benefits such by selling their production by assist of find market also another benefits' is cooperatives are rent the agriculture inputs in order to improve the productions of their members, also the cooperatives can provide the agriculture education to their members in order to cope with the scientific agriculture system. Consider the figure below shows the benefits in cooperatives

Figure for 4.4 Data for benefits of cooperatives

	Frequency	Percent
Market of their produce	8	14.5

Agriculture input	14	25.5
Employment	10	18.2
Improve living condition	14	25.5
Education	6	10.9
Others	3	5.5
Total	55	100.0

4.5 Challenges of the members

These identify problems that faced during the process of price change, climate change and others like the problems of active members. In case of price change farmers they suffer during the selling there are product such as the price of maize in this year was change in ratio of TZS 500 which cause the farmers to sell their product in small amount of money and led the loss, more than 50.9% out of 100% farmers they are complain the problem of price change.

Figure for 4.5, Data for challenges of farmers

	Frequency	Percent
Price changes	28	50.9
Climate changes	17	30.9
Others	10	18.2
Total	55	100.0

4.6 Lack of Active members

In this problem show how member are not active in the process of participating, according in my research show that other members are participate in their demand such as getting loans, also education provision, after getting loan other are not active to participate in meeting or cabinet of the cooperatives.

Figure for 4.6 Data for active participants

	Frequency	Percent
Yes	41	74.5
No	14	25.5
Total	55	100.0

4.7 Knowledge of cooperatives members on benefits of cooperatives

Specifically, study aimed on understanding the knowledge of cooperatives for example in the cooperatives, members 61.8% out of 100% it believes that the cooperatives has democratic institutions because of equality of the members in the cooperatives like incase of decision making and chance to participate in the activities and meeting, but 14% of the member are against other because of blaming in some issue like loan provision they say in non-democratic, consider the figure 4.7

4.7 Knowledge of cooperatives members on benefits of cooperatives

	Frequency	Percent
Equality among the members	34	61.8
Non equality	21	38.2
Total	55	100

4.8 Loan provision

In this research many member in Lugaluga cooperatives are getting the loan from the cooperatives as the one pillar of the lugaluga cooperatives, each member should be participate in cooperatives in order to get a services which are needed, 30.9% of the responses are get loan and among of them are use as capital to drives their activities like to start a small business also other said use loan of cooperatives to starting the small agriculture in order to get a money to return to the cooperatives as interest, also in small interview that I conducted to the leader of cooperatives

is said that the cooperatives it make some effort in order to make small amount to their member in order to motivate others member to get a loan.

Figure for 4.8, Data for loan provision

	Frequency	Percent
To get agricultural inputs	4	7.3
Sell my produce	16	29.1
Get loans	17	30.9
Income	14	25.5
Others	4	7.3
Total	55	100.0

4.9 Types of benefits in the cooperatives

In this cooperative it offer than three benefits to their members include Marketing of their produce, provide agriculture inputs, provide employment for some members also improve living condition to their member by provide a capital and agriculture education. Consider the figure 4.9

4.9.1 Agriculture inputs

For this case the cooperatives provide agriculture inputs like manure for the member in order to use in their activities which help a member to increase the production, because most of them are use the old method in cultivate their product which led to be poor up to the market to drop in selling ratio. So by getting good inputs from the cooperative it help to boost their production and make a different before join and after join in the cooperatives. Consider the figure 4.9

4.9.2 Improve the living condition

The 25.5% percentage of the respondent it say the cooperatives can influence their life to be standard in case in economically by provide a loan which member are use like capital to starting a small business and to engage in small business which can led to boost their income. So also

the living standard are rising by improve the housing condition by connecting electricity power instead of solar power also the water supply are able to afford. Consider the figure 4.9

Figure for 4.9: Types of benefits received from the cooperative

	Frequency	Percent
Market of their produce	8	14.5
Agriculture inputs	14	25.5
Employment	10	18.2
Improve living condition	14	25.5
Education	6	10.9
Others	3	5.5
Total	55	100.0

5.0 Cooperatives and Economic Development

In my study show cooperatives are boost or influence the economic development around the society members and the nation level. For example the lugaluga cooperatives are provide employment chance to some members such as leader and other professional sector like auditors and market officer which are get wages and help the people to drives their life by satisfies their needs. Also in case of taxation, cooperatives are pay every month which help the nation to receive income as other instution. Also by providing agriculture education to their member it helps to boost agriculture sector as back bone in their country. Up to 43% respondent say YES cooperative can contribute the economic development other 11% remain are say NO. Consider the table below from the data collection.

Figure for 5.0: Data for Cooperatives and Economic

	Frequency	Percent
Yes	43	78.2
No	12	21.8
Total	55	100.0

5.1 Challenges face cooperatives

In my research study it help me to indenfy some challenges that face some farmers cooperatives for instance lugaluga cooperatives, I discovery the following problems such as 19 respondent is equal to 34.5% out of 100% it confirm that the marketing skills is big problems than capital issue , few numbers of actives members and corruptions of the leaders. So on this problems led some periods the farmers are suffer from loss because the cooperatives use old method of selling the products of their members, but low capital also led the cooperatives to provide small amount of loans to their members, up to 14 respondents is equal to 25.4% complain about the small capital investment in their cooperatives. Also the problem of lack of active member is about 30.9% out of 100% also the corruptions from the leaders are problems, leader are receive some corruption in order to provide loan to some members. Consider the figure below

Figure 5.1 data for challenges face cooperatives

	Frequency	Percent
Capital	14	25.4
Lack of market skills	19	34.5
Lack of active members	17	30.9
Corruption of leaders	5	9

Total	55	100
-------	----	-----

5.2 The suggestion of the measure the bottleneck of farmer cooperatives

Despite those benefits and challenges that face the various farmers cooperatives, also members are suggest which we can do us the part of cooperatives and government under the specific ministry, according of my research 30.9% of respondent suggest that sectorial sectors should be support the farmer cooperatives inform of money or advice because most of cooperatives lack professional people who can play part of advice also another suggest 23.6% of respond advice education is important in order to make a farmers aware about cooperatives but as equal ration 23.6% respondents suggest government should be formulate a good policy that can favor the cooperatives like industry policy in now days, few of them believe it's about 7.3% suggest capital should be provide by private sector in order to make support the cooperative. Consider the figure below

Figure 5.2 data for suggestion of the measure the bottleneck of farmer cooperatives

	Frequency	Percent
No enough of capital	4	7.3
Good policy	13	23.6
Sectorial support	17	30.9
Education provided	13	23.6
More support and assistance	8	14.5
Total	55	100.0

CHAPTER FIVE

6.0 CONCLUSION AND RECOMMENDATION

6.1 Overview

Chapter five presents conclusions and recommendations based on the findings of the study. The conclusion is presented then followed by recommendations and suggested areas for future research.

6.1.1 Study objectives

This study generally intended to provide answers for the benefits of farmer cooperatives to the wellbeing of its members. Specifically, study aimed at responding three specific objectives; to understand the knowledge of cooperatives members who are member in cooperative, to investigate on the type of benefits that the member prefers, to get from their cooperatives on improving community social economic development.

6.2 Conclusion

6.2.1 General objective

The agricultural cooperatives have been useful in transforming socio-economic status in rural areas. Socially, cooperatives have helped in enhancing access to social services, improve housing conditions, access to agricultural educations, and promote food security and solidarity. They have also been useful in supporting community development efforts in areas they operate. cooperatives have also assisted in building household economies by contributing to; income, access to farm inputs, increase in assets as well as creating employments and markets for members' produce. Although cooperative have been useful in socio-economic development, still they face numerous challenges in their operations such as; declining output, coffee prices, old farming systems, debt burden, free riding and poor accounting and record keeping, just a few to

mention. The farmers' impact on socio-economic development could be higher provided that they develop capacity to address and adapt to such challenges. Such in-built capacity can put them in safe position to operate, strategize well their operations, compete and bring more benefits to its members and to the wider community and nation.

6.2.2 Specific objectives

This study concludes that, the farmer cooperatives can play a role of education provision such as the agriculture educations which can help in their daily activities. Also in case of economic situation also cooperatives play a role of improving living conditions and help their members to find market for their production of their members by provide a loans with the small amount of interest.

6.3 Recommendations

In view of the findings of this study, the following recommendations are made:

Because of the problem of lack of active member in severals cooperatives especially in lugluga cooperative, I recommended that those leaders in cooperatives should be create the strong rules with the several fines which can motivate the members to come and to attained every meeting and make to participate full.

In case of Loan provision in lugaluga cooperatives there are founded complain from the members, most of them are not satisfies the amount of money given this because the cooperatives do have not a enough capital to provide a loan in each members, so I recommend that the cooperatives should be create other sources of money which can improve their capital and led the rising of the amount that are provide to their members.

Also generally in gorvement supports, Gorvement through the specific ministry should be provide the fund which can helps to their activities, also gorvement should be provide the professional peoples like auditors also lawyer in order to reduce the problems of lack

professional peoples in the cooperatives for example in lugaluga cooperatives they are lack professional people like lawyer, auditors that can led some loss in case of fund.

REFERENCES

- Bello, D. A. (2005). The Role of Cooperative Societies in. *MPRA*, 20. Retrieved from <http://mpra.ub.uni-muenchen.de/23161/>
- Hanisch, P. D. (2015-2016). *THE ROLE OF AGRICULTURE*. UGANDA.
- Bello, D. A. (2005). The Role of Cooperative Societies in. *MPRA*, 20. Retrieved from <http://mpra.ub.uni-muenchen.de/23161/>
- Bello, D. A. (2005). The Role of Cooperative Societies in. *MPRA*, 20. Retrieved from <http://mpra.ub.uni-muenchen.de/23161/>
- Hanisch, P. D. (2015-2016). *THE ROLE OF AGRICULTURE*. UGANDA.
- Levin, M. (2002): *The Promotion of Cooperatives*, ILO Cooperative Branch, at www.ica.coop/europe/ra2002/speech
- Abate, G., Francesconi, G.N. & Getnet, K. (2014). Impact of agricultural cooperatives on smallholders' technical efficiency: empirical evidence from Ethiopia. *Annals of Public and Cooperative Economics* 85:2 257-286.
- Gertler, M. (2001): *Rural Co-operatives and Sustainable Development*, Saskatoon SK: Centre for the Study of Cooperatives, University of Saskatchewan
- Gibson, R (2005): *The Role of Cooperatives in Community Economic Development*, RDI Working Paper # 2005-3
- Adams, W.M. (2006). *The Future of Sustainability: Re-thinking Environment and Development in the Twenty-first Century*. International Union for Conservation of Nature (IUCN).
- Williamson, o. E. (2001). Comparative Economic organization: The Analysis of discrete Structural Alternatives. *Administrative Science Quarterly* 36, 269-296. <http://dx.doi.org/10.2307/2393356>
- Sumelius, J., Tenaw, S., Bäckman, S., Bee, F., Chambo, S., Machimu, G. and Kumburu,

- N. (2013). *Co-operatives as a Tool for Poverty Reduction and Promoting Business in Tanzania*. University of Helsinki Department of Economics and Management Discussion Papers No 65 Helsinki. pp86.
- Baffes, J. (2003). Tanzania's Coffee Sector: Constraints and Challenges in a Global Environment. *Africa Region Working Paper Series No. 56*.
- Veenhoven, R. (2004) "Subjective measures of well-being." Discussion Paper No. 2004/07. United Nations University: WIDER.
- Agrawal, A. (2001). Common property institutions and sustainable governance of resources. *World Development* 29:10 1649-1672.
- Ashley, C. & Carney, D. (1999). *Sustainable Livelihoods: Lessons from Early Experience*. London: DFID.
- Bibby, A. (2006). Tanzania's co-operatives look to the future. [<http://www.andrewbibby.Ncom/pdf/Tanzania.pdf>].
- Brennan, M.A. and Luloff. A.E. (2005). A Cooperative Approach to Rural Development in Ireland: Cultural Artifacts and the Irish Diaspora as an Example. *Journal of International Agricultural and Extension Education*.
- Bruynis, C, Goldsmith P.D., Hahn D.E, and Taylor W. J., (2001). Critical Success Factors for Emerging Agricultural Marketing Cooperatives. *Journal of Cooperation*. 16: 14-24.
- Chambo, S. A. (2009). Agricultural Co-operatives: Role in Food Security and Rural Development. *Paper Presented to Expert Group Meeting on Co-operatives, April, 2009: Moshi, Tanzania*.
- Develtere. P, Pollet. I and Wanyama. F, (eds), (2008), *Cooperating out of poverty. The Renaissance of The African Cooperative Movement*. International Labour Organization (ILO): Geneva, Switzerland.
- ICA (2005). *International co-operative alliance annual report 2005*. pp102.
- Sizya, J. M. (2001). *The Role Co-operatives Play In Poverty Reduction In Tanzania*. Paper Presented at the United Nations in observance of the International Day for the Eradication of Poverty on 17 October 2001. pp15.

APPENDICES

Appendix I Questionnaire

Questionnaire to the members of cooperative societies

(Set A)

Name

Age

Sex

Education background

- 1) What's your academic qualification?
 - a) No education
 - b) Primary level
 - c) Secondary level ()
 - d) Above secondary
- 2) How do you see your cooperative societies?
 - a) Democratic
 - b) Non democratic ()
 - c) Other

What made you say that it is democratic/non-democratic?

.....
.....

- 3) How long have you been a member of a cooperative society?
 - a) One year
 - b) Two years ()

- c) Three years
- d) More than three years

4) Why did you join this cooperative?

- a) To get agricultural inputs
- b) To sell my produce
- c) To get loans
- d) To increase income ()
- e) Others (mention)

5) Are you motivating others to become member of your cooperative society?

- a) Yes
- b) No ()

If yes, Why?

.....
.....

If no, Why?

.....
.....

6) What are the role of this cooperative?

- a) Assist members to get agricultural inputs
- b) Selling produce for farmers
- c) Employment
- d) Granting Loans to members?
- e) Others

7) What kinds of services do you like your cooperative to offer to the other people who are not the member?

- a) Education

- b) Loans
- c) Employment ()
- d) Internship

8) Are you satisfied with the services offered by your cooperative society?

- a) Yes
- b) No ()

If yes, Why?

.....
.....

IF no, why?

.....
.....

9) Where do you keep your savings?

- a) Home
- b) Bank ()
- c) Cooperative society
- d) Post office

10) What are the conditions to qualify to be a member?

- a) Be villager (a resident of this area)
- b) Having a coffee farm
- c) Level of education ()
- d) Others?

11) What are challenges facing farmers? inadequate marketing

- a) Price change

- b) Climatic change ()
- c) Others

12) What are benefits acquired by members from a cooperative society?

- a) Marketing of their produce
- b) Supply of agricultural inputs?
- c) Employment
- d) Improve their living condition
- e) Education ()
- f) Others

13) Are you active participant in you cooperative society?

- a) Yes
- b) No ()

If yes, how?

.....
.....
.....

14) If yes then have you participate in?

- a) Management committee
- b) Cooperative education committee
- c) Loan committee ()
- d) Account and supervision committee
- e) Any other (mention)

15) Do you participate in the general annual meeting of your cooperative society?

- a) Yes
- b) No

If yes, from Q 15 what are the reason?

.....
.....
.....

16) Do you consider that your cooperative society is working for the economic-social development of the people of Tanzania?

- a) Yes
- b) No

17) If yes from Q16, what are the activities arranged and operated by your cooperative society in past few years?

- a) study tours
- b) Cooperative education tours ()
- c) Blood donation camp
- d) Others?

18) Does your cooperative offers loans to members?

- a) Yes
- b) No
- c)

If yes which type of loans do you receive from your cooperative society?

.....
.....
.....

If no from Q 18, why?

.....
.....
.....

19) Do you experience any challenge in access loan from cooperative?

- a) Yes
- b) No

20) If yes, which challenge do you face? mention them

.....
.....
.....

21) What are the challenges facing cooperative society in Tanzania?

- a) Lack of capital
- b) Poor marketing skills
- c) Low number of members
- d) Corruption
- e) Transport

22) What are your suggestions for the improvement of you cooperative society?

.....
.....
.....

APPENDIX II Interview guide

Interview guide to the leaders of cooperative society

(Set A)

Name

Age

Sex

1. When was your cooperative society formed?
2. When the cooperative society was formed how many members was there?
3. Currently how many members are there in you in your cooperative society (man and women)?
4. What services does your cooperative society offer to its members?
5. What are the challenges facing coffee farmers on their production and marketing of their products?
6. Is there any education and training programs given to the members? Yes or No
7. If yes, what type of education and training that is given to the members?
8. When was the last time that education and training done?
9. How was the participation of members in the programs?
10. What are the challenges facing members in the cooperative society?
11. What are the main challenges facing cooperatives today?
12. How do you solve such problems?