

# Activities of Rice Producers Cooperative Society in Food Production: A case study of Ayamelum Local Government Area of Anambra State, Nigeria

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## Abstract

The study assessed the activities of rice producers' cooperative society in food production in Ayamelum Local Government Area of Anambra State, Nigeria. Multistage and random sampling techniques were used to select 55 respondents for the study. Whereas, data for the study were collected through primary source using pre-tested questionnaires. The findings on socio-economic characteristics of the respondents indicated that 61.8% of the rice cooperators were males with 43.9 years of age as the mean age the respondents. About 80% were married while a significant proportion (72.7%) had secondary education. Majority (52.7%) had household size of between 6 and 10 persons with a mean household size of 5.7 persons, 49.1% had between 10 to 19 years of farming experience as cooperative members while 56.3% indicated farming as their major occupation. On the activities of rice producers' cooperative in food production, the rice cooperators indicated that the cooperative engages in activities such as provision of subsidized inputs (78.2%), marketing of members' goods (94.5%) and training of members on best agronomic practices (70.9%). In addition, most of the rice producers' cooperators ( $\bar{x} = 2.73$ ) indicated that the manager's poor managerial skill was the major constraint limiting cooperative activities in the area. Based on the findings, it was recommended that the government should participate fully in the formation and administrative processes of these agricultural cooperative societies with a view in checkmating embezzlement by the cooperative leaders, hence, ensuring accountability and sustainability of such economic groups in the study area and in the country at large.

**Keywords: Rice producers, Cooperative society, Activities, Food production**

## Introduction

Agriculture is the foundation of many economies of the world and sustainability of such economy in countries such as Nigeria, depends majorly on agricultural development through generation of employment and farmers' active participation in all stages of crop and animal production. According to Oyinbo and Rekwot (2014), in Nigeria, agriculture is one of the major sectors providing employment for more than 70% of the population. Similarly, Kamil, Sevin and Bekun (2017), were of the opinion that agriculture has been the mainstay of the

Nigeria's economy providing the largest chunk of foreign exchange inflow into the country. Consequently, most public policies in Nigeria, especially since independence in 1960, were tailored towards promoting food security, provision of the agricultural raw materials needed by the manufacturing sector to provide adequate employment and income to alleviate poverty as well as earn substantial foreign exchange (Ogbanga, 2018; Saheed and Isa, 2017).

However, according to Ojide, Ojide and Ogbodo (2014), the sector has been halted as a result poor investment through introduction and implementation of improved farming technologies and policies. In attempt to solve some of these agricultural challenges faced by the country, successive Nigerian governments recognized that cooperative societies are essential for the development, improvement and sustainability of the agricultural sector. Hence, the establishment of agricultural programmes such as Agricultural Development Programme (ADP), River Basin and Rural Development Authorities (RBRDAs) etc. Farmers under these programmes are always organized into cooperative groups for better co-ordination of the farmers' activities and abilities. By so doing, the programmes have effectively utilized the cooperative approach for group action and this tailors with the primary objectives of forming group farming cooperatives which is to increase agricultural outputs. In addition, donor agencies and government have re-emphasized cooperative as a strategy to promote collective action to strengthen smallholder's livelihoods by linking them to National and International markets (Yamusa and Adefila, 2014).

Co-operatives are defined by the International Cooperative Alliance's Statement on the Cooperative Identity as an autonomous association of persons united voluntarily to meet their economic, social and cultural needs and aspirations through jointly owned and democratically controlled enterprises (Kareem, Arigbabu, Akintaro and Badmus, 2012). Cooperatives groups are established by like-minded persons in order to pursue mutually beneficial economic interest and they provide a unique tool for achieving one or more economic goals in an increasingly competitive global economy (Adejo, Adejo and Shaibu, 2017). These goals include but not limited to achieving economic of size, improving bargaining power when dealing with other business, purchasing in

bulk to achieve lower prices and obtaining product and services otherwise unavailable. Today, in an era where many farmers feel powerless to change their lives, cooperative of different types remain a strong and viable economic alternative and they are based on the powerful ideology that together, a group of people can achieve goals that none could achieve as an individual (Ademu, Aduku, Elesho and Nweke, 2018). Cooperative societies have been an effective way for people to exert control over their economic livelihoods and to Ani (2018), cooperative can be considered as a force, an alternative and countervailing power to both big business and big government.

However, several literatures have reported that in spite of Nigeria's rich agricultural resource endowment, there has been a gradual decline in agriculture's contributions to the nation's economy and food security (Aroriode and Ogunbadejo, 2014; Olajide, Akinlabi and Tijani, 2012). Similarly, it is pertinent to note that the smallholder farmers have accounted for over 90% of all agricultural output in Nigeria but are burdened with high cost of farm inputs, insufficient farming techniques, inadequate infrastructure, poor producers' prices and heavy constraints in obtaining credits and insurance (Yamusa, *et al*, 2014; Mgbenka and Mbah, 2016). Consequently, the cooperative option comes into play as one of the essential viable means to effectively mobilize farmers to form groups and pool resources together in order to become more effective in agricultural production. In addition, considering various studies (Ojiako and Ogbukwa, 2012; Adefila, 2012; Ofuoku and Urang, 2011 and Gertler, 2011) little or no attention has been drawn to the roles and activities of cooperative societies in food production; of which the case in Ayamelum Local Government Area is not an exception. Therefore, assessing the activities of the rice producers' cooperative society in food production in Ayamelum Local Government Area of Anambra State, Nigeria is timely, as it intend to achieve the following research objectives:

- i. describe the socioeconomic characteristics of the cooperators;
- ii. determine the activities of cooperative societies in food production;
- iii. identify the benefits derived by the members of the cooperative society and;

iv. identify the constraints militating against rice producers cooperative activities in the area

## **Methodology**

The study was carried out in Ayamelum Local Government Area of Anambra State, Nigeria. Ayamelum is located in the Southeast geopolitical zone of Nigeria and it is housed in Anaku as its headquarters. The local government is one the twenty-one (21) Local Government Areas in Anambra State and comprised eight communities, which includes Omor, Umueje, Omasi, Igbakwu, Umumbo, Anaku, Umuerum and Ifite Ogwari. Ayamelum Local Government Area is known for its fertile arable land for commercialized agricultural activities and as such, it is known to be one of the major food baskets of the state. Hence, larger percentages of the people are predominantly farmers and depend solely on agriculture for their livelihood. Population for the study comprised the rice producers who are members of rice producers' cooperative society in Ayamelum Local Government Area of Anambra State, Nigeria. Purpose and random sampling techniques were used to select 55 respondents for the study. Stage I involved a purposive selection of five communities (Anaku, Umumbo, Omor, Umueje and Omasi) out of the eight communities existing in the study area. Stage II involved a random selection of eleven farmers belonging to rice producer's cooperative society from each of the five selected communities to arrive at 55 respondents that were used for the study. Data for the study were obtained from primary source through the use of structured questionnaire and were analyzed using frequency counts, percentages and mean score.

## **Results and Discussion**

### **Socioeconomic Characteristics of the Respondents**

The gender distribution of the respondents (Table 1) indicated that 34 persons accounting for 61.8% were males while female constituted 38.2% of the total sample size. This shows that the rice cooperative society in the study area has high ratio of males as human capital compared to the female counterparts. This is in agreement with the finding of Onoh (2018), who stated that majority of the cooperators in Udi Local Government Area were males. On the other hand, the mean age of the respondents was 43.9 years while majority (38.2%)

belonged to age range of between 40 and 49 years, indicating that the cooperators belongs to the economically active and productive age group. Whereas, 21.5% fell between the ages of 30 and 39 years and another 21.8% fell between 50 and 59 while only 7.3% of the respondents were categorized under old age group of between 60 and 69 years. Majority (80%) of the cooperators were married, 9.1% were single and another 9.1% were divorced while 1.8% were widows. The high involvement and participation of married people in the rice producers' cooperative in food production may be as a result of their family responsibilities.

A significant proportion of the respondents (72.7%) had secondary education, 18.7% went to primary school and 9.1% attended tertiary institution. The implication of this result is that all the respondents attained one level of formal education or the other. As such, it is obvious that the respondents are literates since most of which can read, write and apply any skill acquired through training. More so, the result revealed that 52.7% had household size of between 6 and 10 with a mean household size of 5.7 persons, 43.6% had household size of between 1 and 5, meanwhile the remaining 3.6% of the respondents had household size of between 11 and 15 persons. On the distribution of the rice producers' cooperators according their years of farming experience, the result indicated that the mean years of farming experience was 14.6 years with 49.1% having spent between 10 and 19 years in farming. Followed by 25.5% who fell between 1 and 9 years, 7.3% between 30 to 39 and very few between 40 to 49 years. The result indicates a significant years of farming experience and by implication, it is expected that such significant years will bring about increase in knowledge and skills. Furthermore, the result revealed that 31 persons, accounting for 56.3% of the respondents were strictly rice farmers, 27.3% were traders who engage in commercial activities and only 16.4% were civil servants. The implication is that majority of the rice producer cooperators in Ayamelum local government area of Anambra State were mainly farmers.

**Table 1: Percentage distribution of the respondents according to their Socioeconomics Characteristics (n=55)**

Socioeconomics variables	Frequency	Percentage (%)	Mean ( $\bar{x}$ )
<b>Gender</b>			
Male	34	61.8	
Female	21	38.2	
<b>Age</b>			
20 – 29	6	10.9	
30 – 39	12	21.8	
40 – 49	21	38.2	43.9
50 – 59	12	21.8	
60 – 69	4	7.3	
<b>Marital status</b>			
Single	5	9.1	
Married	44	80	
Widowed	1	1.8	
Divorced	5	9.1	
<b>Educational level</b>			
No formal education	0	0.0	
Primary education	10	18.2	
Secondary education	40	72.7	
Tertiary	5	9.1	
<b>Household size</b>			
1 – 5	24	43.6	
6 – 10	29	52.7	5.7
11 – 15	2	3.6	
<b>Years of membership</b>			
1 – 9	14	25.5	
10 – 19	27	49.1	
20 – 29	9	16.4	14.6
30 – 39	4	7.3	
40 – 49	1	1.8	
<b>Major occupation</b>			
Farming	31	56.3	
Trade/commerce	15	27.3	
Civil Servant	9	16.4	

**Activities of rice producers’ cooperative society in food production**

The result of the study in Table 2 shows the respondent’s opinion on the activities of rice producers’ cooperative in food production. Majority of the respondents indicated that the cooperative was mainly engaged in activities such as provision of subsidized inputs (78.2%), marketing of members’ goods (94.5%) and training of members on best agronomic practices (70.9%). More so, provision of low interest loans (87.2%), communal labour (81.8%), provision of market for members’ goods (92.7%) and provision of transportation for members’ goods (65.5%) were equally not left unattended. The implication of this result is that the rice producers’ cooperative in the study area engaged in many activities as it concern food production. This is in agreement with the finding of Annusike, Ogholadja and Ogbonna (2017), who stated that many agricultural development strategies such as input subsidization, marketing boards, and institutional reforms embarked on, are geared towards the improvement of agricultural production.

**Table 2: Activities of rice producers’ cooperative society in food production (n=55)**

Cooperative Activities	Yes	
	Frequency	Percentage (%)
Provision of subsidized inputs	43	78.2
Marketing of members goods	52	94.5
Training of members on best agronomic practices	39	70.9
Provision of low interest loans	48	87.2
Communal labour	45	81.8
Provision of market for members’ goods	51	92.7
Provision of transportation for members’ goods	36	65.5

**Benefits of rice producers’ cooperative society to the farmers**

On the overall benefits of rice producers cooperative to the beneficiaries as presented in Table 3, majority (98.2%) of the cooperators indicated that they had increase in farm income, 96.4% had increase in yield, 94.5% improved wellbeing, 92.7% had access to market, 90.9% had increase in sales and 89.1% benefited from subsidized quality inputs. These were followed by better bargaining power (83.5%), better access to information (81.8%), low cost of labour (76.4%), improved farm management (72.7%), communal labour

(69.1%), access to low interest rates (60.0%), access to training (58.2%) and access to extension agents (49.1%). The result shows that majority of the rice producers' cooperators benefited immensely from their membership and this aligns with the core objectives of cooperative societies as highlighted by Oluyombo (2012). Who was of the view that social intermediation in cooperative societies includes training of members on different areas of vocations, creation of market, provision of subsidized quality input, provision of communal labour and access to low interest loans.

**Table 3: Overall benefits of cooperative society to the farmers**

<b>Benefits</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Increase in farm income	54	98.2
Increase in yield	53	96.4
Improved wellbeing	52	94.5
Access to market	51	92.7
Increase in sales	50	90.9
Subsidized quality inputs	49	89.1
Better bargaining power	46	83.5
Better access to information	45	81.8
Low cost of labour	42	76.4
Improved farm management	40	72.7
Communal labour	38	69.1
Access to low interest rates	33	60.0
Access to training	32	58.2
Access to extension agents	27	49.1

### Constraints Militating against the Activities of Rice Producers' Cooperative

Table 4 indicated that manager's poor managerial skill ( $\bar{x} = 2.73$ ) was the major constraint militating against the activities of rice producers cooperative in Ayamelum Local Government Area. Embezzlement among leaders ( $\bar{x}=2.63$ ), inadequate support from the government ( $\bar{x}=2.58$ ), inadequate training ( $\bar{x}=2.51$ ), conflict between members ( $\bar{x}=2.44$ ), poor knowledge on value addition ( $\bar{x}=2.28$ ), inadequate capital ( $\bar{x}=2.21$ ), poor educational background ( $\bar{x}=2.12$ ), inadequate storage facilities ( $\bar{x}=2.08$ ) and poor access to information and technology ( $\bar{x}2.00$ ) were equally indicated by the cooperators. This result corroborates the finding of Opata *et al.* (2014), who highlighted factors such as experience of the managers and amount of credit from donors as constraints that affect the performance of a cooperative.

**Table 4: Constraints affecting cooperative activities in the area**

Constraints	Means Score	Rank
Poor managerial skills of the manager	2.73	1 <sup>st</sup>
Embezzlement	2.63	2 <sup>nd</sup>
Inadequate support from the government	2.58	3 <sup>rd</sup>
Inadequate training	2.51	4 <sup>th</sup>
Conflict between members	2.44	5 <sup>th</sup>
Poor knowledge on value addition	2.28	6 <sup>th</sup>
Inadequate capital	2.21	7 <sup>th</sup>
Poor educational background	2.12	8 <sup>th</sup>
Inadequate storage facilities	2.08	9 <sup>th</sup>
Poor access to information and technology	2.00	10 <sup>th</sup>
Poor knowledge on fertilizer application	1.56	11 <sup>th</sup>
Pest and diseases	1.48	12 <sup>th</sup>
Poor extension services	1.39	13 <sup>th</sup>
High cost of labour	1.20	14 <sup>th</sup>
Poor processing techniques	1.16	15 <sup>th</sup>

### Conclusion

In the overall, the activities of rice producers' cooperative in food production in Ayamelum Local Government Area was significant. The cooperators benefited immensely from the cooperative and in turn, the cooperative had positive effect on member's welfare through provision of low interest loans, provision of subsidized quality inputs, training of members and communal labour etc. However, notwithstanding the tremendous activities and benefits recorded by the rice producers' cooperators in the study area, there were still traces of retrogressive issues identified that militates against their cooperative activities. Some of which, as identified by the cooperators includes but not limited to poor managerial skills of the manager, embezzlement among the leaders, inadequate support from government, inadequate training, conflict between members and poor knowledge on value addition.

### **Recommendations**

Based on the findings of the study, the following recommendations were found imperative: From the findings, it was obvious that the rice producers' cooperative had limited capital to execute their activities. As such, government, non-governmental agencies and stakeholders should intensify efforts towards the sustainability of rice producers' cooperative society in the study area and the country at large by providing seed capital and single digit loans through the commercial banks. In addition, the management of the cooperative society should endeavor to improve their managerial skills by organizing training on managerial skills in order to actualize the cooperative mandate.

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