

**SOCIO-ECONOMIC FACTORS INFLUENCING FARMERS PARTICIPATION
IN AGRICULTURAL MARKETING COOPERATIVE SOCIETIES: A CASE
STUDY OF NJOMBE DISTRICT**

**FOR REFERENCE
ONLY**

BY

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
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ABSTRACT

The study on factors influencing farmers participation in Agricultural Marketing Cooperative Societies was carried out in Njombe District. The interest in this study has been prompted by the recognition that Agricultural Marketing Cooperative Societies (AMCOS) are organizations that can help poor farmers to raise their economic status, but the extent to which they join and participate in cooperative activities is very low. Hence the general objective was to find out what factors influence farmers participation in AMCOS. All farmers who are members and non-members in Njombe District were taken as the population of the study. Four societies were randomly selected to be included in the study. A total of 120 respondents, 60 members and 60 non-members were selected for the study. Data were collected through questionnaire and review of societies records. Data were then analyzed by descriptive statistics and test of independence (Chi-square) was used. The results of the study show that, farmers join societies and continue to be members if they can get the services, which are better than what they can get from other sources. This study found that there was no relationship between members participation in AMCOS and formal education, marital status, land distribution, and land acquisition. On the other hand, cooperative member education, economic activity, cash crops, markets, prices, and membership fee have influence to members participation in AMCOS. Lack of members education and poor services offered to members by AMCOS were cited as some of the problems

hindering members' participation. It is recommended that AMCOS should improve services offered to members. Societies and the government should emphasize cooperative education to the whole society. Likewise societies should find ways of building their capital through contributions, which will be used to buy crops from farmers so as to compete with private traders who pay cash.

DECLARATION

I, Fidea Luhwano Mgina, do hereby declare to the Senate of Sokoine University of Agriculture that this dissertation is my own original work and has not been submitted for a higher degree in any other University.

Signature.....

Date...25/10/2001.....

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DEDICATION

I sincerely acknowledge the moral support from my beloved husband Melchior Mgina, my sons Bernard and Charles for their endurance during my absence. This was a source of great inspiration for completion of this work. To them all, I hope the results accruing from this work will prove to be worthwhile.

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ACRONYMS AND ABBREVIATIONS

AMCOS	Agricultural Marketing Cooperative Societies
CIMMYT	International Maize and Wheat Improvement Centre
CUT	Cooperative Union of Tanganyika
et al.	And others
ILO	International Labour Organization
KNCU	Kilimanjaro Native Cooperative Union
MAC	Ministry of Agriculture and Cooperatives
MAF	Ministry of Agriculture and Food Security
NJOLUMACU.	Njombe, Ludewa, and Makete Cooperative Union
P	Probability
SUA	Sokoine University of Agriculture
TAS	Tanzanian shillings
WB	World Bank

CHAPTER ONE

INTRODUCTION

1.1 Background information

In Tanzania, like other developing countries, cooperatives have played a major role in general and agriculture transformation in particular. Furthermore Agricultural Marketing Cooperative Societies (AMCOS) have been the dominant form of cooperation in this country, about 85% of cooperatives in this country were AMCOS (Bee, 1996). It should be noted that, the development of AMCOS in this country has been associated with the introduction of cash crops, such as coffee, cotton, tea, and tobacco.

According to Bakken and Schaars (1983), Agricultural Marketing Cooperative Societies are voluntary business organizations established by its member's patrons to market farm products collectively for their benefits. It is governed according to democratic principles on savings apportioned to their members on the basis of their patronage. They further said that, members as owners, operators and contributors of commodities handled, are the direct beneficiaries of savings that may accrue, no intermediaries stands to profit at the expense of members.

Tanzania views agriculture as the sector that should be improved for the development of this nation, due to the fact that, Tanzania's economy largely depends on the agricultural sector. However for agricultural growth to take

place it is necessary that farming becomes a commercial operation. Therefore, operation of an efficient marketing system is very important in an effort to commercialize agriculture. According to Hamid, (1977) market outlet for farm produce must be provided. Agricultural Marketing Cooperative Societies (AMCOS) can assist the farmer in his effort to dispose off his produce by providing an efficient marketing system. Kohls, (1972) argues that, functions of any AMCOS include all activities involved in moving agricultural produce from farm to the ultimate users. These processes involve buying and selling, pricing, transportation, storage, processing and packaging, grading and standardization, crop financing and market intelligence. Likewise marketing cooperatives in Tanzania were vital instruments in agricultural development and have served the poor small farmers better as compared to other institutions (Naali, 1986). They have been organizing market outlets for peasants agricultural products, supplying agricultural inputs, supplying consumer goods and organizing transport services.

Nevertheless, an individual farmer is comparatively powerless against the market, and he is unable to obtain economies of scale by his own efforts. In fact withholding of supplies by one farmer may not alter the market of the commodity. On the other hand by marketing their produce collectively there would be some control over the flow of some commodities into the market,

which would result into higher prices. Higher prices will motivate farmers to increase agricultural products as they will be able to buy agricultural inputs, as a result there will be increase in food, industrial raw materials, and improved agricultural sector which employs more than 85% of total population (ILO, 1991).

The study of factors influencing farmers' participation in AMCOS was done in Njombe District, which is in Iringa Region. The region lies in the Southern highlands of mainland Tanzania. It is divided into six districts namely, Iringa urban, Iringa rural, Mufindi, Makete, Ludewa and Njombe Districts. Ethnic groups in the region are Hehe (43%), Bena (37%), Kinga (11%), Pangwa (3%), Kisi and Manda (6%) of the total population in the region. The region has a very big potential for agricultural production; it is among the four leading regions in maize production in the country (URT,1997).

According to the Regional Cooperative Officer, Iringa Region had 117 registered Agricultural Marketing Cooperative Societies by August, 2000. Out of these Mufindi had 15 societies, Makete had 19, Ludewa had 21, Iringa had 28 and Njombe had 34 societies.

For the purpose of this study four AMCOS were selected in Njombe District, which were Lupembe, Ninga, Kifanya and Imalinyi. A total of 60 members were interviewed. AMCOS in Njombe District face two major problems, which

are low member education and low membership, these problems lead to low capital base from few, share capital subscriptions and fees from members. This study was done to assess factors, which influence the farmers' participation in cooperative societies. The findings may be useful to the cooperative officer in Njombe and elsewhere in managing and solving the marketing problems.

1.2 Problem Statement

The history of cooperative societies in Tanzania is that of top-down management leaving little room for members to manage their societies. As a result people tended to see cooperatives as government institutions not as their societies. However the 1991 Cooperative Act aimed at giving cooperatives greater autonomy in managing their societies affairs. It also encourages the formation of viable, autonomous, and self-reliant cooperatives.

In spite of all these, member participation in cooperative affairs is very low. Members are not interested in cooperative affairs, they look at their cooperatives as just any other outlets of their produce, as a result the performance of cooperative organization has not been good for all these years and there are no indications that these trends will change before it is too late (Makidara, 2000). With the changing climate of the cooperative

movement, there is a need to establish factors, which lead to promotion of farmers' participation in AMCOS.

1.3 Justification

Agricultural Marketing Cooperatives are a tool for development, because they deal with the majority who are small farmers in the rural areas (Hedlund, 1988). They are regarded as the best way to achieve improved rural life for farmers through social participation. With the liberalization of the economy and more diversified market channels, primary producers are more exposed to exploitation by private traders. While AMCOS can provide reliable markets, reduce price fluctuations and prevent price reduction through introducing and maintaining higher levels of crop quality and standard weights. Efficient utilization of AMCOS by members will provide efficient marketing facilities, input availability at cheaper prices and good producer prices, which will motivate producers to increase agricultural production. This will increase economic status of farmers, increase raw materials for local industries and increase export crops.

This study will reveal the socio-economic factors, which influence farmers' participation in AMCOS. Participation of farmers in terms of doing business with cooperatives, electing leaders, participating in making decisions concerning the affairs of their society, participation in managing and control of their society. The information obtained will be a useful tool for cooperative

promoters and all those who are interested in rural cooperative development. Recommendations given will help to attract more farmers to join AMCOS and increase members' participation in cooperative activities. The study will highlight the socio-economic aspects, which have influence to AMCOS development and have been neglected in spite of their importance in solving the problems facing the farmers in Njombe District.

1.4 Objectives

1.4.1 General Objective

To investigate the social economic factors which influence farmers participation in Agricultural Marketing Cooperative Societies in Njombe District, Iringa Region.

1.4.2. Specific Objectives

- i). To assess farmers participation in marketing activities with AMCOS
- ii). To investigate farmers' access to the services provided by AMCOS.
- iii). To determine social factors influencing farmers participation in AMCOS.
- iv). To determine economic factors influencing farmers participation in AMCOS

1.5 Limitations of the Study

- (i) Farmers in the study area were scattered in such a way that it was not easy to get them. I had to hire bicycles to go around the villages.

(ii). Data collection was done during farming season, thus, it was difficult to find respondents in their respective homes. The researcher was hence obliged to visit them in farm plots, which were scattered far from their homes. Also roads were in very bad condition. It interfered with the data collection schedule.

(iii). The respondents involved in the study area had no records on costs of production (inputs), so it was difficult to know exactly the net income obtained from farming and non-farming activities of each respondent. What are presented are essentially estimates given by the respondents.

CHAPTER TWO

LITERATURE REVIEW

2.1 The Agricultural Sector in Tanzania

Tanzania is primarily an agricultural economy. The agricultural sector is one of the most important sectors in Tanzania and there are indications that it will continue to be so for many years to come. The sector is comprised of crops, livestock, forestry, fisheries, and hunting sub-sectors. The agricultural sector contributes 50% of the GDP, more than 60% of the national foreign exchange earnings and provides employment to about 70% of the labour force (MAC, 2001).

This sector is dominated by smallholder peasants (Amani, 1992). About 85% of agricultural production is carried out on privately owned plots. They account for 90% of the marketed agriculture output that depend mainly on rainfall. To large extent weather influence agricultural supply responses. However, Tanzania has relatively arable lands, which permit the production of a wide range of food and cash crops (O'king'ati, 1984; Minde and Mlay 1989; MAF, 2001). Over 43 million hectares have been identified as suitable for agricultural production, where as, only 7 million hectares are currently utilized for agricultural production.

Table 1. Distribution of land cover/use type

Land Use/Cover	Area ('000 Ha)	Percent
Forestry	2,723	2.9
Woodland	37,436	39.6
Bushland	17,316	18.3
Grassland	19,360	20.5
Cultivated land	7,144	16.0
Open land	139	0.2
Water features	7,352	7.8
Urban area	65	0.1

Source: MAC: march 2001.

The agricultural sector provide fiber and food for all sectors, supplies raw materials for industries and generates a substantial market for goods and services produced by other industries in the economy (Amani, 1992). The sector also contributes to the development of medium and large-scale manufacturing industries, provision of formal and informal employment to majority of Tanzanians. Important export crops include coffee, cotton, cashew, tobacco, tea, sisal and pyrethrum. The food crops grown include maize, cassava, beans, millets, bananas, wheat and rice (MAC, 2001). The main form of agriculture in Tanzania is crop husbandry. Food crops accounting for 55% of agricultural production, livestock accounts for further 30%, export crops 8% and forestry, hunting and fishing for some 7% (MAC, 2000).

Tanzania views agricultural as a sector that should be improved for the development of this nation. Moreover, the importance of agriculture to Tanzania's economy has lead to government intervention in agriculture sector since the colonial period. Intervention was in four stages, at the level

of production, marketing, distribution and price setting. The government used various organizations to control producer's crops including cooperatives, boards and crop authorities. The colonial government controlled the cash crops produce, which served as raw material for the industries in their home countries (Naali, 1986). The independent government also needed to control the cash crops in exchange for industrial commodities for the development of the state, using the same instrument of control, Agricultural Marketing Boards, Cooperative Unions, extension services and district councils.

The boards and cooperatives bought farmers crops and made deductions without explanations, prices were set by the Ministry of Agriculture and Cooperatives and gave estimation of deductions from producer prices. The cash crop producer was not involved in fixing producer price. The fact that the producer was being alienated from handling his produce, and the fact that these authorities do not offer any explanation to the producer on the increasing deductions which resulted in decrease in producers price, made the producer to loose confidence in such organizations.

The government realized that producers need their cooperatives which in the past were peasants units which they felt a sense of belongingness and acted as a guarantor of their own welfare. It realized that, it was a mistake to dissolve

cooperative unions in 1976 (Hyden, 1984). Finally in 1991 the new Cooperative Act was instituted which advocates on the member based and self-help cooperatives which could help farmers in their farming activities to increase their income.

2.2 Obstacles to Agricultural Sector Development

The agricultural sector in Tanzania is currently facing many obstacles. As a result, its performance or development has not realized its desired levels. Some of the most important problems facing the sector have been identified, such as low priority accorded to agriculture in public resource allocation and disbursement, poor rural infrastructure, producers limited capital and access to financial, weak and inappropriate legal framework, land tenure and taxation policy and weak primary crop production and service organizations such as cooperatives (MAF, 2001).

However, market intelligence is also a problem to Tanzanian smallholder farmers. In the international market as well as local market product prices fluctuates on a daily, hourly, monthly and annual basis depending on forces of demand and supply. Participants in the market want to make a profit. While the farmer as an individual can never expect to keep up with the market, a group of farmers can be able to do that, but they lack knowledge

on the opportunities, which can be obtained by working together through Agricultural Marketing Cooperative Societies.

2.3 Cooperative Development in Tanzania

Cooperatives as socio-economic institutions can be traced back to the mid 18th century when the Rochedale Pioneers who believed in cooperation emerged. In 1844, the group of 24 weavers in a factory located in Rochedale town in England, started a truly business organization (Lunberg, 1987). The Rochedale society organized groceries, textiles, savings and credit services for its members (Cranenburgh, 1990). These pioneers were the first to establish cooperative principles, which have been the basis of the modern principles adopted by the International Cooperative Alliance namely:

- i). Voluntary and open membership – cooperatives are voluntary organizations open to all persons able to use and willing to accept the responsibility of membership without gender, social, racial, political or religious discrimination.
- ii). Democratic member control – cooperatives are democratic organizations controlled by their members who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the members.
- iii). Member economic participation – members contribute equitably to and control the capital of their cooperative. They usually receive limited compensation if any on capital subscribed as a condition of membership.

Members allocate surpluses for any or all of the following purposes: developing cooperatives, benefiting members, in proportion to their transactions with the cooperative, and supporting other activities as approved by the members.

iv).Autonomy and independence – cooperatives are autonomous, self- help organizations, controlled by their members. If they enter into agreement with other organizations (including governments) or raise capital from external sources, they do so on terms that ensure democratic control by the members and maintain their cooperative independence.

v). Education, training and information – cooperatives provide education and training for their members, elected representatives, managers and employees so that they can contribute effectively to the development of their cooperatives. They inform the general public particularly young people and leaders about the nature and benefits of cooperation.

vi).Cooperation among cooperatives – cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

vii). Concern for the community – while focusing on members needs and wishes, cooperatives work for sustainable development of their communities (International Joint Project on Cooperative Democracy, 1995)

The agricultural cooperatives movement had its starting point in Germany where Fredrich Wilhelm Raiffeisen (1818-1888) and Wilhelm Haas (1839-

1913) initiated rural cooperatives in order to protect small producers from exploitation by merchants and users (Cooperative Education, 1970). Although in Africa traditional forms of cooperation built around kinship and reciprocity existed since time in memorial, the colonialist introduced the modern cooperative organizations during the early 20th century (Kasuga, 1999)

The history of cooperatives in Tanzania can be divided into six phases. These are: Cooperatives before independence (1925-1961), Post Independence Cooperatives (1961-1967), Post Arusha Declaration (1967-1976), The Dissolution of cooperatives (1976-1984), the Reinstatement of cooperatives (1982-1991) and deofficialization of cooperatives (1991).

2.3.1 Pre-Independence Cooperatives (1925-1961)

The history of cooperatives in Tanzania can be traced back to British colonial period in 1925 when coffee small farmers in Kilimanjaro started the first society. It was recognized officially in 1932 when the first ordinance was passed. On 1st January 1933 the Kilimanjaro Cooperative Union with 11 affiliated societies were registered (Mporogonyi, 1988). These cooperatives were started from producers initiatives due to their felt needs, to have better prices for their cash crops as well as to encourage African owned enterprises. Members were honest with high degree of confidence and loyalty to their societies. According to Bee (1996), 85% of societies were Agricultural Marketing Cooperative Societies (AMCOS). The early AMCOS

were mainly engaged in cash crops like coffee and cotton. Bee (1996), argues that cooperatives were started as a result of struggle of the coffee and cotton producers to reduce exploitation by Asian middlemen who offered unfavorable prices. However, colonial government officially allowed the cooperative movement in order to eliminate the Asian middlemen who were turning the terms of trade against peasants that could affect the production of cash crops for the metropolitan demands. The British colonial government controlled the cooperatives to enable tighter control of cash crops, which provided the colonial government with revenue for running the colonial state as well as expropriation of both the raw materials and the cash from sale of such raw material to the metropolis (Naali, 1986).

After the introduction of cooperatives legislation there was increase in cooperatives in regions with cash crops. Other types of societies were also started like consumer, industrial, transport, savings and credit societies and gained importance. By 1950 cooperatives were able to provide different services to members like education provision, healthy services etc. These societies did not engage in economic activities only, but had some political aspirations like achieving independence from colonial rule (Hyden, 1984).

2.3.2. Post Independence (1961-1967)

After independence in 1961, marketing cooperatives were important instruments for development of agricultural sector. By this time cooperative

unions were well established in the marketing of the peasants agricultural products and at the same time had a capacity to give loans to the purchase of agricultural inputs (Naali, 1986). The independent government was aware of that it could conveniently use the ready established cooperatives as its agents to control the peasants' cash crops. So as to intensify control the post-independence government set up the policy of expanding cooperative movement by establishing cooperatives even in areas where cash crops were not grown. This led to rapid expansion of cooperatives, for example, Cooperative Unions increased from 7 unions in 1956 to 33 in 1966, while cooperative societies almost trebled from 691 to 1533 between 1960 and 1966 (Hyden, 1984).

At this time there were two categories of cooperative societies. First, they were cooperatives, which were formed voluntarily by farmers during colonial times e.g. Kilimanjaro Native Cooperative Union Ltd (KNCU) and in the second category, were the cooperative societies formed and registered not by members, but with the government initiatives. The political pressures were considerable and that societies were organized from top without genuine local demand. In order to have a strong controlling organization to coordinate all the activities of the cooperative Unions, the government established the cooperative unions of Tanganyika (CUT) in 1967. During this period cooperatives were given monopoly in marketing a number of major crops. The establishment of cooperatives by the government did not bother

the issue of membership or economic viability of these societies. However, the rapid expansions of cooperatives faced problems of qualified staff and uninformed membership.

2.3.3 Post-Arusha Declaration (1967-1976)

Following the Arusha declaration, state control over agricultural marketing through cooperatives had expanded considerably. Cooperatives had been regarded as a socialist's institution, and the growth of cooperatives was expected to lead the development of socialism. Cooperatives were seen as instruments for realizing the politically determined ideals of socialism and self-reliance. Therefore, changes in functions of cooperatives were necessary following the second five-year plan (1969-1974), which stated that a cooperative is basically a socialist institution.

The rural cooperatives were given additional tasks of transaction of the countryside through collective production. To achieve these, cooperatives were transformed gradually into production-oriented institutions (Wagao, 1982). This marked the beginning of infusion of Ujamaa into the cooperative movement. Producer cooperatives that were expected to emerge, were regarded as crucial instruments in the building of socialist society. In addition to their roles as channels for agricultural inputs, credits and farm implements, marketing cooperatives were expected to extend into being effective agents in the transformation of the rural sector and organize the

flow of resources from the rural sector to the central government. However most Ujamaa villages were too small to have viable cooperation as compared to traditional cooperative societies, which covered several villages (Naali, 1986). During the 1970s AMCOS became unpopular to the government because they were unable to meet the government's expectations. Cooperatives failed to accommodate the role of multipurpose organization rather than just marketing of crops and faced a lot of problems such as corruption, improper financial control inspection and undemocratic practices. Following this, the government began to design an alternative marketing system that led to the dissolution of cooperatives in 1976 (Hyden, 1984)

2.3.4 Dissolution of Cooperatives (1976-1982)

Following the poor performance of cooperatives that were run as if they were government instruments to build socialism, cooperatives were abolished in 1976. Primary societies which were the economic base of cooperative unions, were also declared redundant, their functions were given to village governments. Marketing boards and later on to crop authorities which carried the role of marketing crops instead of Unions. The assets and functions of Unions were given to Crop Authorities.

However, these Marketing Boards were not structured and had no capacity to carry out prescribed functions effectively and they turned out to be even

unaccountable to producers even more and poorly managed than unions had been. The government realized the mistake of excluding producers from participating in the important decisions on their development. The government therefore appointed a commission to enquire into the possibility of reviving the cooperative unions in the country.

2.3.5. Reinstatement of Cooperatives (1984-1991)

The results of 1980 the Commission of Inquiry was the Society Act of 1982, which stipulated the return of Agricultural Marketing Co operative Societies and Unions which began operations during 1984-1985 seasons. The Act provided the formation, constitution of co-operative societies as instruments for the implementation of the policy of socialism and self-reliance. The 1982 co-operative law considered co-operatives as multipurpose institutions that have to carry several functions in their areas of operations and covered the whole country (Ellis, 1988).The co-operative union continued with its role of buying crops through its primary societies

The ruling party continued to dictate terms of operating co-operatives through the Co-operative Union of Tanganyika (CUT) (Bee, 1996). However rural primary co-operatives based on one village and economic viability of these societies was not considered before registration. Likewise, the issue of voluntary and open membership was not addressed; there was neither membership fee nor share contribution. Every citizen living in a given village

was automatically regarded as a member of the society. This made the society of this time not to have committed members. These practices violated the co-operative principles. Also there were no voluntarism and democratic management. Consequently members were alienated from their co-operative thus reducing their participation. Automatic membership and monopoly practices in marketing co-operatives left no room for individual choices between joining and not joining the co-operatives. Co-operative plans, policies and budgets were scrutinized by the government and approved by the ruling party. These practices affected the degree of member participation in co-operatives. The co-operatives lacked autonomy and became more of government and party institutions rather than member organizations (Msanga, 1992). This state of affairs reduced the co-operator to a mere worker of a society, to produce and sell to society, not owners of the society.

2.3.6 Deofficialisation of Cooperatives and Privatization 1991 onwards

After seeing the shortcomings of the Cooperative Society Act of 1982, the government started to change its attitude towards cooperatives, especially in 1990's. The government realized that there was a need of building democratic cooperatives that belonged to members and managed by members themselves. There were a lot of problems in cooperatives, which were managed by interference. These problems included poor standard of management and mismanagement, poor accounting, lack of internal control, unrealistic budgets, lack of budgetary control and follow-up, poor costing

lack of management information systems, weak capital base and lack of members commitment, lack of credit worthiness before lending institutions and persistent government interference and political pressure (Kasuga, 1999). It is also important to note that, it was at this time when the long and strong supporters had threatened to pull out, if the situation was not changed (Mwangamila, 1992).

Thus in 1990 the ruling party "Chama Cha Mapinduzi" decided to allow cooperatives to have full autonomy from the ruling party influence. Therefore in 1991, the Cooperative Society Act of 1991 replaced the 1982 Act, which aimed at giving Cooperatives greater autonomy in managing their affairs and thus self-reliant cooperatives (Msanga 1992). Following this Act, issues of re-registration of primary societies, which were owned, belonged and controlled by members was stressed. Share contributions by members were an important component of membership, and members should ensure that they get benefit in accordance with the expectations and objectives of the society. These changes were expected to open up opportunities for farmers to participate effectively in Agricultural Marketing Cooperative Societies in the country.

2.4.1 Importance of AMCOS to Farmers.

Agricultural Marketing Cooperatives are voluntary business organizations established by its members, patrons to market farm products collectively for their benefits (Bakken and Schaars, 1983). It is governed according to

democratic principles and savings apportioned to the members on the basis of their patronage. Members as owners, operators, and contributors of commodity handled are the direct beneficiaries of savings that may accrue. No intermediary stands to profit at the expense of the members. Traditionally AMCOS were started by members themselves for their felt need of looking for better markets for their produce in order to get good prices and to have a reliable market for their produce.

AMCOS deal with all activities, which are aimed at helping the farmer in his professional capacity as producer (Helm, 1968). However AMCOS in this country have done a lot in rural areas since its establishment in 1930s. They have played part in input supply provision through input credits and promotions of cash crops (Hyden, 1984). He further said that, AMCOS were vital instruments in agricultural development; they served the poor better compared to other institutions. AMCOS assist the farmer to dispose off his produce by providing efficient marketing systems. It is very useful in areas where suitable markets do not yet exist or it can be an alternative market outlet to an existing marketing system, which due to inefficiency or deliberate extortion, does not meet the requirement of producers.

Farmers in remote areas do not have reliable markets; private traders are not ready to bear risks of going in such areas, which are dominated by bad roads. The only alternative for these farmers would be to associate and form

their own cooperatives, which they can use to solve their marketing problems cooperatively. It has been argued that, the basic functions of marketing cooperatives is to provide the incentive of better market returns to primary producers who would otherwise have no market incentives (Spaul, 1965). Most farmers are unable to sell their produce directly to consumers in urban, except of limited amount of produce, which they sell on the local market or in house-to-house sales. Alternatively the farmer has to use one of the marketing organizations established by private traders or government or cooperative societies.

However the individual farmer is comparatively powerless against the market and he is unable to obtain economies of scale by his own. For example withholding of supplies by one farmer will not alter the price of the commodity. By collectively marketing their produce there would be some control over the flow of some commodities into the market, which would result in the increase of food, industrial raw materials and improved rural sectors, in totality national development through improved agriculture sector, which employs more than 85% of total population (ILO, 1991). This is why cooperatives have been regarded as a tool for development, because they deal with the majority who are small farmers in rural areas (Hedlund, 1988)

2.4.2. Problems of AMCOS

With many buyers who pay cash on the spot, AMCOS have lost the share of the crops in some areas. However, members of many societies are

uninformed about the nature of the cooperatives, the duties of the committee of the society, the powers and the responsibility of the members assembled in the general meetings. As a result there is low participation of members in decision-making and doing business with their societies this has led to less than estimated crop collected. Collections have been declining year after year since the arrival of private buyers in 1990s. This means that members are also selling their crops to private buyers. In general, the survival of many of these AMCOS largely depend on the extent to which members participate constructively into the affairs of their AMCOS

2.5.1. Participation

According to Cohen and Uphoff (1979) participation includes people's involvement in the decision-making process, in implementing programmes, their sharing of benefits of development programmes and their efforts to evaluate such programmes. Kallabaka (1989) on the other hand has defined participation as involving the empowering of people to determine, decide, plan, implement, control and evaluate all actions that affect their life. Participation has also been defined as a process through which, stakeholders influence and share control over development initiatives and the decisions and resources, which affect them (World Bank, 1994 in: UNDP, 1998). While the International Labour Office (1984) defines participation as the collective effort of the people concerned in pooling together their efforts and whatever other resources they decide in order to

attain the objectives they set for themselves. In this regard participation is viewed as an active process in which participants take initiatives and action that is stimulated by their own thinking and deliberation and over which they exert control. For the case of this study participation simply means the involvement of the majority of the members of cooperative society in decision-making and is democratically managed. It involves resource contribution, in terms of financial and in kind, participation in decision making in terms of giving suggestions, criticisms and voting. Also participation in getting benefits arising from members investments into the society which include, services, dividends etc. This participation is influenced by socio-economic factors of members.

2.5.2. Socio-economic factors influencing farmer's participation in AMCOS

Socio-economic factors are factors which relate to human life, such as education level, marital status, age, awareness of cooperative benefits, attitude towards the cooperative leaders, member cooperative education, labour in the field, farm size, land ownership, possessions of livestock, cash crops grown, price incentives, membership entry conditions, policies on cooperatives, and economic efficiency of cooperatives against individual performance. Socio-economic factors, assume critical importance in shaping the response of an individual to join cooperatives. For the case of this study only few will be discussed this will include: age, formal education, marital

status, land ownership, land acquisition, service to members, and leadership in AMCOS, this is due to limited time and financial constraints.

2.5.2.1.Age

Age is among the factors, which can influence an individual in community development activities. According to Ishengoma (1992), age of the farmer might influence adoption of innovations in many ways. Young people are expected to be more active and ready to participate in development programmes, as they are mobile they can learn many things in other places where they migrate and on average they are more educated. On the other hand, Rwambali (1990) in his study on women and cooperatives in rural development found that mature farmers are more likely to become cooperative members. While Mandara (1999) said, one is considered to be economically productive from the age of 15 years to 64 years old. Also Nanai (1993) in her findings observed that there was increase in the level of participation with age to optimum age in development activities.

2.5.2.2 Education.

Education is considered to be an important factor, which enables ones behavior to change. It is believed that, education broadens horizons beyond habits and traditions of individuals, encouraging involvement of an individual in development activities (Madulu, 1995). Therefore, through education an individual becomes more critically aware of the need and scope of social change. However, education is an important ingredient for faster socio

economic development in any community. According to Levinger and Drahman, (1980) poor and less educated people generally lack confidence, and the ability to improve their lives. While, through education an individual becomes more critically aware of the need and scope of social change. Nanai, (1993) found that people's education has positive relationship with the level of participation to development activities. Likewise, Rwambali (1990) found that educated people are more likely to become cooperative members.

Perceived in that perspective, co-operative education is therefore, one of the most vital components for the establishment and development of strong viable societies under control and supervision of the members themselves. Education based on cooperative living and practices helps an individual to impart the spirit of cooperation, also it broadens their horizon regarding the potential of cooperation in tackling their pressing economic problems. However, members of co-operatives can only play their role as co-owners, co-decision-makers and controllers of co-operatives, if they know their rights and obligation as co-operators. Therefore, members must be taught the rules of cooperative, their rights and obligations.

The cooperative principles on education are meant to develop members in order to make them more enlightened. Once the members have been properly educated they will participate more effectively in the management of

their societies. Most farmers have been found to lack loyalty to co-operatives by selling their crops to private traders with higher prices due to low cooperative education. However, when members lack cooperative education their response to co-operative problems will be reflected by apathy and go-slow attitude, rather than constructive engagement to deal with issues affecting their co-operatives (Chambo, 1992). Therefore, a key issue in overcoming most of problems facing cooperatives is members' education. Farmers need more information on co-operative objectives, principles and the benefits they can get from it. Co-operative education can also serve as a major vehicle for improving communications between the co-operative and the government. Members' attitude needs to be changed through education by inculcating group interests as opposed to individual interests.

Another crucial factor that has influence to farmers' participation is the level of education of board members. If people elected to these boards are of low education, their performance in cooperative activities will be problematic. This situation will not only retard the cooperative competitive capacity, but also leads to poor strategic business planning situation.

2.5.2.3 Services to members and economic status.

Services rendered by cooperatives to members have some influence to members' participation. However, cooperatives as self help organizations must focus on their members needs (Bee,1996). Individuals join

cooperatives with certain motives and expectations. Their effective participation depends on the extent to which these expectations are fulfilled. When motivations are low, members would be unable to adequately participate and control their organization. It is only when members can satisfy their needs better through their own cooperative will they be prepared to acquire and maintain membership voluntarily and participate actively with their own resources. Cooperatives as member owned firms, should first and foremost aim at serving the members. On the other hand, this goes hand in hand with enhancement of membership obligations and rights.

It is well known that, smallholder farmers require assistance in terms of resources for adoption of improved agricultural technologies in order to realize higher productivity and thus higher incomes (Freshwater, 1989). This is only possible if they have access to credits and markets for their crops they produce. AMCOS are the right organizations, which can provide credits of inputs and markets to poor farmers. However, trade liberalization came when most societies were collapsing, thus it helped to provide another alternative to farmers whereby they could sell their crops. It is a fact that farmers are after good services, primarily in regard to receiving prompt payments for their crop sales.

The inability to pay growers fully in cash on receipt of produce has been a major cause of disloyalty of members to cooperatives. It is important for the

management to realize that, the positive competitiveness for their societies against private traders depends on the degree to which members' welfare is maximized through their societies. According to Maini (1972), the strength of cooperatives lies in the cooperators self-motivation, self-help and expression. Likewise services given to members and non-members have influence to farmers participation in AMCOS. There must be a clear difference of treatment in terms of services offered by society to members and non-members. The study done by Banturaki (2000) on cooperatives and poverty alleviation showed that, there must be special treatment to distinguish members from non-members on services delivered by rural marketing cooperatives. If all had equal treatments in regard to the provision of supplies, many may not bother to become members and others had to quit the membership simply because there was no logic of one becoming a risk taker while the benefits were shared equally by the members and non-members.

Economic status is an important factor, which can influence farmers' participation in AMCOS. It is believed that, poor people lack confidence in their ability to improve their lives. Bratton (1985) in his study done in Zimbabwe found that, farmers with low economic status generally find it difficult to join groups if the group activities involve assets pooling of cash contribution since they have nothing to contribute except their labour. Similarly farmers with high economic status stand back because the scale of

their enterprises is sufficiently large to be economic or because they are reluctant to share with others who are less endowed than them. Likewise the study done by Garforth (1993) in Northern Thailand shows that membership in rural peoples' organizations is associated with high socio-economic status. However, co-operative societies are voluntary organizations of persons (or business units) who voluntarily join together on the basis of equality for the purpose of promoting their economic and social interest (Helm, 1968). Committed members of cooperatives with common interest join together, due to the desire to improve their economic status by pooling their scarce resources of production together. Likewise, Hamid (1977) argued that, AMCOS can play an important role in mobilizing capital as well as getting people organized for the common objectives of improving their socio-economic position. Furthermore it is the creation of a new social environment, where farmers will be more responsive and willing to accept new innovations in farming through their own co-operatives.

2.5.2.4. Leadership

Leadership is also considered as a very important factor in cooperative development. Experience shows that, the necessary faith and motivation in cooperatives is best created by local leaders who possess first hand knowledge of local situations and their problems, they know the local people intimately and share with them the same problems and aspirations. These factors enable leaders to influence the minds and thoughts of the people and

thus motivate them towards cooperative action. Faithful and committed leaders who are committed and willing to devote time and energy to their societies can influence farmers' participation. Transparency, information availability and involving members in decision making are important issues for the survival of the society.

Current leadership needs to be committed in developing active involvement of members, also develop, train and nurture new leadership. Likewise, cooperative meetings are key events for members' participation in cooperative management. According to Fox (1992) the availability of opportunities for direct membership participation in decision making can encourage people to hold their leaders accountable. There should be proper communication among cooperators. This can help to improve marketing efficiency through exchange of information, expertise and knowledge. However, many societies lack the requisite number of trained managers and employees to man its cooperatives and have developed no effective programmes for training either (Bee, 1996). In some places poor management has turned some farmers against the cooperative movement.

Leadership with transparency gives explanations on the societies situation, financial positions, accepts challenge, increase members benefits, encourage member participation in decision making and empowerment are among crucial factors that motivate members' participation. Chambo and

Ngailo (1996) state that, the quality and type of leadership are key factors in success of any cooperative organization. The authors further argue that, to meet the complex needs of members (owners) the ideal leadership style should be with explanations, more attractive, communicative and responsive approach. Members will participate effectively if two-way communication exists between and among different members as well as other societies. Communication and interaction is essential it must be reciprocal, that is two-way communication. However, the fall in member participation demands a new vision on the administration of cooperative societies. Collaborative ideas between members, executive committee and contracted management is essential also as to assess the current operating situation critically, analyze the strength, weaknesses, opportunities and threats (SWOT) in the business environment and exploit opportunities available. Private buyers have managed to eliminate the cooperative advantage by maintaining lower administrative costs and virtually eliminating marketing costs.

2.5.2.5 Autonomy

Autonomy of the group is also an important factor, which has influence to farmers' participation in cooperative societies. Voluntary membership is a key condition to a cooperative formation processes. No one should be forced to join a cooperative against his or her wishes. Members of AMCOS must have a right to resign membership any time. The cooperators must have total freedom in making decisions, electing leaders, financing their societies and

participating in cooperative activities. However, in many countries of the world, groups are forced to register as official primary co-operative societies, if they are to obtain official recognition and credits, these are not genuine cooperatives, a good example being Tanzania. Before the cooperative Society Act of 1991, cooperative societies were instituted by the State and were used as tools for attaining certain national objectives. Such cooperatives were not true cooperatives, which belonged to the members but rather were state institutions. They were part of governments strategy of ruling people so that they could participate in institutions, believing that those institutions were theirs in fact they were not. All Ujamaa Villages were registered as Cooperative Societies whether they wanted to be cooperators or not.

The state was not considering the wishes of the people and the would be cooperators, but was looking only at its own objectives. This type of cooperative societies lacked autonomy because they were controlled by the government, which used "top-down" approaches (Meghji and Tarimo, 1992; Msanga, 1991). Experience has shown that these cooperatives seldom serve the real interests of the members. Government interference in cooperative management has made many members to see co-operatives as government organs and they see it as only good for the markets of their products. It is necessary that, for the survival of the organization, they remain independent relying on own resources and not to be the instruments

for achieving the goals of the state or other institutions, which in most cases, means a loss of their autonomy.

2.5.2.6 Members motivation.

Participation can only develop among individuals who are aware of their abilities to improve their own position, which is felt as being satisfactory, by their own effort. Individuals have to be willing to act jointly with others who have the same or similar problems, in order to achieve their common objectives. Common problems and interests are the basis for cooperative initiatives. There must be pressing unsatisfied needs and felt needs, which cannot be solved individually. Individuals join societies with certain motives and expectations. Their effective participation in these societies will depend upon the extent to which these expectations are fulfilled. Every member must be conscious of the possible advantages, which may be derived from the society.

CHAPTER THREE

METHODOLOGY

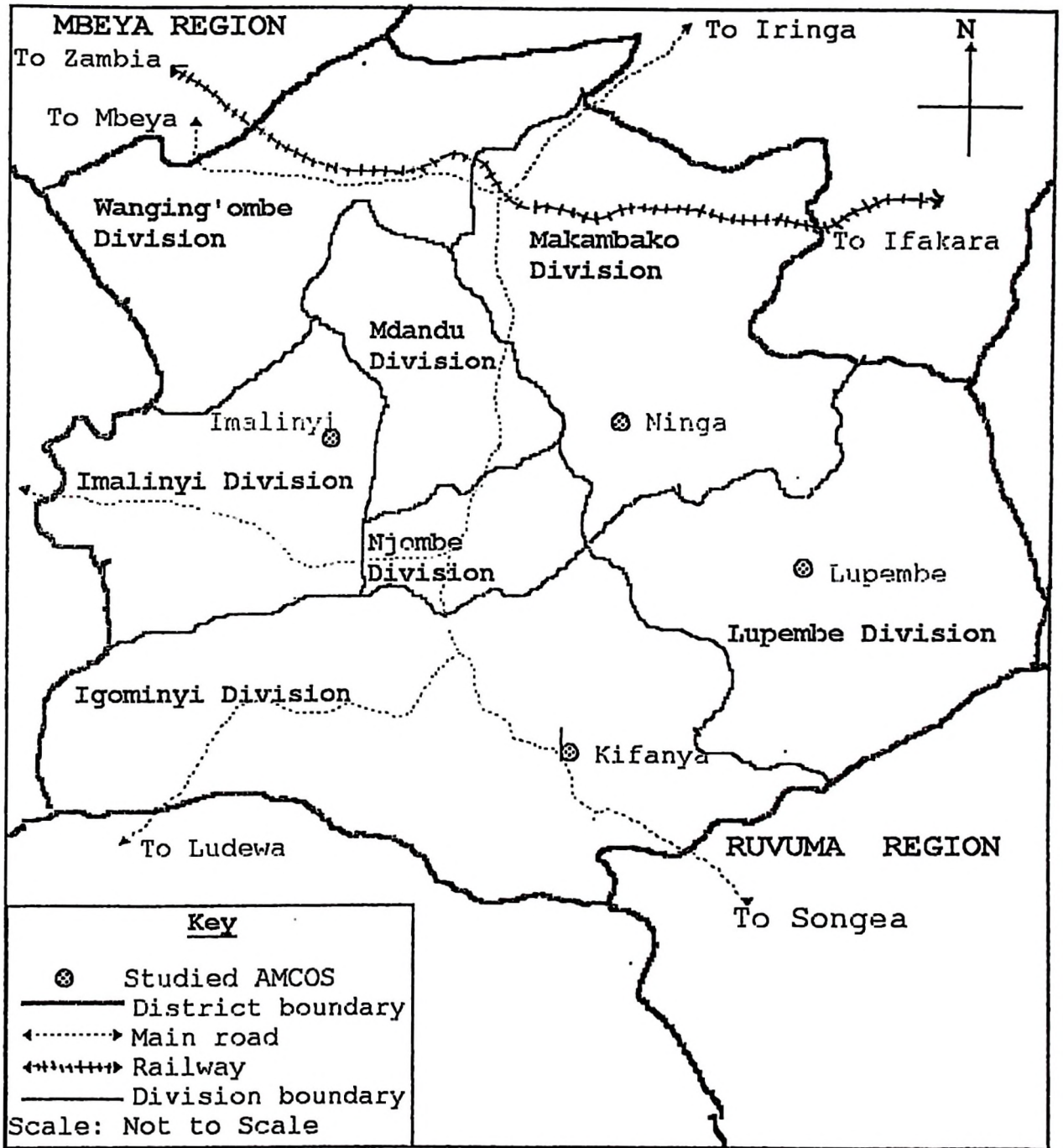
3.1 Introduction

This chapter gives the methodology used and covers the description of the study area, research design, population sampling procedures, data collection procedures and tools for data analysis.

3.2 Description of the study area

The study was done in Njombe District. Njombe is one of the districts in Iringa Region. Iringa Region is in the Southern Highlands of mainland Tanzania. It is located between 7°05'- 36°32' South and 33°47'- 36°32' East. The region is divided into six districts, namely Iringa urban, Iringa rural, Mufindi, Makete, Ludewa and Njombe. Njombe District is bordered by Mufindi in the North, Morogoro and Ruvuma regions in the East, Ludewa in the South and Makete District in the west. The district has an area of 10,668 sq km. Njombe had a population of 315,976 according to population Census of 1988, at growth rate of 2.8%. It has a population density of 29.6 people per sq km. It was estimated to have 440,121 people by year 2000. Administratively, the district has seven divisions which are Njombe town, Igominyi, Makambako, Imalinyi, Wanging'ombe, Lupembe and Mdandu, 25 wards and 172 villages. Economically about 90% of the people live in rural areas and depend on agricultural and livestock rearing. Main food crops

produced include maize, beans, sweet and round potatoes, Sorghum and wheat. Cash crops are tea, sunflower, pyrethrum and coffee. Land suitable for agriculture is 9,727,75 sq. Km and the cultivated land out of this is 1,441,78 square kilometers (URT, 1997).



Map 1: Njombe District showing studied AMCOS

Source: District Co-operative Office (Njombe District)

3.3 Research design.

The study used a cross-sectional survey. A cross –sectional survey consists of asking questions to a representative sample of the population at a single point in time. This design according to Babbie (1990), is useful for description purpose as well as for the determination of relationships between variables at the time of the study.

3.4 Population of the study

The population of this study consisted of all members and non-members (farmers who are not members) of AMCOS in Njombe District. Non-members have been added for comparison with members.

3.5 Sampling frame

The sampling frame was the list of all members in four selected AMCOS and list of all farmers who are not members of AMCOS in villages which have AMCOS, provided by village leaders. AMCOS in Njombe District were stratified into two strata, active and dormant societies. The stratum of active societies consisted of 24 societies while the dormant were 10. Four AMCOS were randomly selected from the 24 active societies. This provided a sampling frame for members of AMCOS. Villages, which provided sampling frame for non-members, were obtained by purposive sampling. All villages,

where the selected AMCOS belonged, provided a sampling frame of non-members.

3.6 The sample size

The sample size of 120 farmers was interviewed. Sixty farmers being members of AMCOS and 60 non-members. Fifteen members were randomly selected using a set of random numbers from each of the four randomly selected AMCOS, and villages to which AMCOS belonged provided 15 farmers, who were non-members. These were obtained by using a set of random numbers (Babbie,1990) from the sampling frame of non-members. The unit of analysis were individual farmers.

3.7 Instrumentation

Two sets of structured questionnaires were used in primary data collection. These are questionnaire for members and non-members .The questionnaires were prepared to measure the socio-economic factors influencing farmers' participation in AMCOS

3.8 Pre –testing of the questionnaire

The first draft of the questionnaire was pre-tested to ensure its validity. Five members and five non-members participated in the pre-testing exercise .Pre –testing respondents were drawn from the population which was in the survey (Flower, 1993) with similar characteristics as the farmers included in

main survey. Pre-testing helped to ensure validity of the instrument and enabled the researcher to make the necessary corrections to the instrument in the light of the experience gained during pre-testing. All farmers who were in the pre-testing were excluded from the sample.

3.9 Data collection

Primary and secondary data were collected in this exercise.

3.9.1 Secondary data collection

Secondary data were collected from Moshi Co-operative College, Sokoine University Library, Ministry of Cooperatives and Marketing, Njombe District Cooperative Offices and Primary Agriculture Marketing Cooperative Societies Offices.

3.9.2 Primary Data Collection

Primary data were collected from the sample population. The instruments used were primarily questionnaires. There were two types of structured questionnaires with both open and close-ended questions for non-members.

3.10. Data Analysis

Data collected from primary sources were edited, coded and analyzed using the Statistical Package for Social Sciences (SPSS) computer programme. In this statistical package, descriptive statistics, namely frequencies,

percentages and means were used. Cross-tabulation were also employed to determine relationship between variables.

CHAPTER FOUR

RESULTS AND DISCUSSION

The results of the study are presented in this chapter. The Chapter is divided into five sections, namely respondents' personal characteristics, economic activities in the area of study, membership and services in AMCOS, socio-economic factors affecting participation and how to improve AMCOS.

4.1. General sample characteristics

This section deals with the description of personal Characteristics of the sample, which is composed of members and non-members of AMCOS. The personal Characteristics, which were examined in this study are: age, sex, education level, marital status, land distribution and land ownership.

4.1.1 Age of the respondents

The respondents' age distribution is shown in Table 2. Majority (38.3%) of the respondents in both categories of members and non-members were young. Their age ranged between 30 and 39 years of age. Forty to fifty years of age group followed this, which was 36.7% of the respondents. While 15.8% of the respondents were older than 51 years. Very few respondents (9.2%) were at the age range of 18-29 years. Most 41.7% of the members of AMCOS were in the age range of 40-50 years. This implies that most of the selected members

were within the Tanzania's economically productive class, which ranges from the age of 15 to 64 years (Mandara, 1998). These findings agree with Nanai (1993) findings, who observed that there is increase in the level of participation with age to the optimum age group. Likewise, Rwambali, (1990) in his study found that mature people are more likely to become cooperative members. This study has found that, majority of the non-members were at the age range of 30-39, which is 45% of non-members respondents. This implies that young people are not active participants in AMCOS. Normally young people do not like farming, they prefer doing business (Nanai, 1993). However most of the cash crop farms belong to old people. By using Chi-square test, age distribution of respondents was found to be significantly associated with the level of farmers' participation in AMCOS. Which shows that age of the respondents has influence to farmers' participation in AMCOS.

Table 2. Distribution of respondents by age in years

Age	Members		Non-member		Total	
	Number	Percent	Number	Percent	Number	Percent
18-29	2	3.3	9	15	11	9.2
30-39	19	31.7	23	45	46	38.3
40-50	25	41.7	19	31.7	44	36.7
> 51	14	23.3	5	8.3	19	15.8
Total	60	100	60	100	120	100

Chi-Square value = 10.927

DF = 3

Significance level = 0.012

Source: Survey data, 2001

4.1.2 Sex of the respondents

The findings in Table 3 show that more than half (80.8%) of the respondents were males and 19.2% were females. Female members had smaller representation although; they are the main agriculture producers in rural areas. Tibaijuka (1990) pointed out that, female membership in cooperatives may be as low as 20%, which are in agreement with the findings of this study. The same findings were also reported by Lamming (1983). According to Lamming (1983) women are vastly underrepresented in agricultural cooperatives in Third World countries, although they constitute two to three percent of agricultural labour force in many parts of the world.

Through probing why female representation was low, it was explained that normally membership registration and recognition is for men, but take for granted that the husband has represented the wife. Similarly McCall (1987) argued that, cooperative membership is usually limited to recognized heads of households who are usually male. However, women who appeared for interview were either widowed or separated, or not married or their husbands had traveled. However the Chi-square test shows that there is no significant difference in sex and participation in AMCOS. Men and women have equal opportunities in joining societies and equal shares of benefits accrued from society activities.

Table 3. Distribution of respondents by sex (N= 120)

Sex	Members		Non-members		Raw Total	
	Number	Percent	Number	Percent	Number	Percent
Male	48	80	49	83.3	97	80.8
Female	12	20	11	17.7	23	19.2
Total	60	100	60	100	120	100

Chi-square value = 0.223 DF = 1 Significance level = 0.637

Source: survey 2001

4.1.3 Marital status.

The data in table 4 indicate that 85% of the respondents were married, 8.3% Single, 2.5% divorced, 2.5% and 1.7% were separated and widowed respectively. Using the Chi-square statistics, the results show that there was no significant difference in marital status between members and non-members. This implies that the distribution of marital status among the sampled respondents was quite similar. Therefore it can be concluded that marital status has no influence to farmers' participation in AMCOS. However, Haverkort (1991) in his study found that majority of rural population, mainly women face special obstacles, which prevent them from participating in rural development. It is a common phenomena in rural areas to find most of married women spending most of their time taking care of the family while husbands attending development meetings with the expectation that they will deliver what has been reached to their wives this has not been the case.

Table 4. Distribution of respondents by marital status. (N=120)

Marital status	Member		Non-member		Row Total	
	Number	Percent	Number	Percent	Number	Percent
Single	3	5	7	11.6	10	8.3
Married	52	86.6	50	83.4	102	85
Widowed	1	1.6	1	1.6	2	1.7
Divorced	2	3.4	1	1.6	3	2.5
Separated	2	3.4	1	1.6	3	2.5
Total	60	100	60	100	120	100
Chi-square value = 2.306		DF = 4		Significant level = 0.680		

Source : Survey data 2001.

4.1.4 Formal education.

With regard to the level of education the results show that out of 120 respondents, the majority, 74.2% of respondents have attained primary education, secondary education which was the highest level of education of respondents was attained by 12.5%, while 10% of respondents had not attained any formal education, and 3.3% attained adult education. It has been argued that, education broadens horizons beyond habits and traditions of individuals, encouraging involvement of an individual in development activities (Madulu, 1995). Through education an individual becomes more critically aware of the need and scope of social change. However Luhasi (1998) argued that education imparts desire of individual to learn more, attending training, and seek information regarding agricultural and non-agricultural activities.

Generally the result of this study imply that majority of the respondents were able to read and write. This means that, the literacy level of respondents was

good enough for the cooperative officer to offer cooperative education even in writings, magazines, and pamphlets etc. A comparison between members and non-members using Chi-square test, showed no significant ($P>0.05$) difference in their educational levels. This implies that, formal education has no influence in farmers' participation in AMCOS. Any person can become a member regardless of his/her level of education. The findings from this study contradict what Rwambali (1990) found, that mature educated people are more likely to become cooperative members.

Table 5. Distribution of respondents by education level (N = 120)

Education level	Members		Non-members		Total	
	Number	Percent	Number	Percent	Number	Percent
No education	7	11.6	5	8.4	12	10
Adult education	1	1.6	3	5	4	3.3
Primary education	47	78.4	42	71	89	74.2
Secondary education	5	8.4	10	16.6	15	12.5
Total	60	100	60	100	120	100

Chi-square value = 3.281 DF = 3 Significant level = 0.350

Source: Survey data, 2001.

4.1.5. Land distribution.

Results of table 6 show that majority (73.3%) of the farmers have land area of between 1 and 10 ha. ha. While 19.2 of respondents have an area of between 11 and 20 ha, and very few (4.2%) respondents have farm size of between 21 and 30 ha. The results of this study are in agreement with Minjas (1994) who argued that, traditional farming systems in Africa are characterized by small farm size, thus agreeing with results of the present

study. However, land is not scarce in Njombe District, according to URT, (1997) suitable land for agriculture in Njombe District is 9,727,75 square kilometers while the cultivated land is only 1,441,78 square kilometers. The results of this study show that there is no significant difference between members and non- members on land distribution. This means that land distribution has no influence on farmers' participation in cooperatives. Which implies that a farmer with few acres can as well join AMCOS as the farmer with more land.

Table 6. Distribution of respondents by land distribution (N= 120)

Land distribution	Members		Non-members		Total	
	Number	Percent	Number	Percent	Number	Percent
1-10 ha	39	65	49	81.6	88	73.3
11-20 ha	15	25	8	13.4	23	19.2
21-30	3	5	2	3.4	5	4.2
Above 30 ha	3	5	1	20	4	3.3
Total	60	100	60	100	120	100

Chi-square value = 3.376 DF = 3 Significant level = 0.337

Source: Survey data 2001

4.1.6 Mode of land acquisition

The results of study in Table 7, shows that farmers in Njombe have acquired their land through different modes. About 89.2% of the respondents owning land they cultivate obtained it by inheritance from their parents. While, 4.1% hired the land, and 3.3% said they own land that, they have bought and some inherited. About 1.7% of the respondents own the land which they

bought and another 1.7% had the land which was given to them by village government. Traditionally land in the study area is divided amongst the sons. Daughters marry and cultivate farms of their husbands. However there has not been land shortage in Tanzania except in few densely populated areas (Rwambali, 1990). The land is basically state owned and one is allowed to use land according to need. Using the Chi-square test, the study shows that there is no significant difference between members and non-members in terms of land ownership. This implies that, the land acquisition has no influence on farmer's participation in AMCOS.

Table 7. Distribution of respondents by land acquisition (N=120)

Land distribution	Members		Non-members		Total	
	Number	Percent	Number	Percent	Number	Percent
Inherited	54	90.2	53	88.4	107	89.2
Bought	1	1.6	1	1.6	2	1.7
Hired	4	6.6	1	1.6	5	4.1
Given by government	1	1.6	1	1.6	2	1.7
Inherited & some bought	0	0	4	6.6	4	3.3
Total	60	100	60	100	120	100
Chi-square level = 5.809		DF = 4		Significance level = 0.214		

Source: Survey data 2001

4.2 Economic activities in the study area

This section gives the description of the study area, type of economic activities, source of labour, cash crops, food crops, income per annum, marketing of agricultural products, pricing of agricultural products and influence of private traders on crop sales.

4.2.1. Characteristics of the study area

Njombe District is very potential in agricultural production. About 90% of the people live in rural areas and depend on agriculture and livestock rearing. Main food crops grown include, maize, beans, sorghum, wheat, sweet and round potatoes. Njombe is the most important growing wheat district in the region. Cash crops are tea, sunflower, pyrethrum, coffee and timber. The land suitable for agriculture is plenty, it is about 9,728.75 square km and only 1441.78 square km, which are 14.8% of the total land, is cultivated (URT, 1997). Average rainfall is 1536.6 mm. Most of which falls in the months of March and April. Temperatures range from 6.2 in July to 20.6 degrees centigrade in November. (Macha et. Al.; 1986). Altitude range from 1,500 to 2,250 metres above sea level.

Transportwise the district is crossed by the Makambaku – Songea highway, the Dar-es-Salaam – Tunduma highway and the Tanzania – Zambia Railway (TAZARA). This makes it easily accessible from outside. However within the district the road network is not very good as some roads are only seasonally

passable especially in areas where rainfall is higher. According to 1984 Census, the district had 135,275 cattle, 36,596 goats 25,8570 sheep and 412 donkeys. Livestock infrastructure include, 34 dips, 7 abattoirs crushes, and 7 hides / skin sheds.

Despite the potentiality in agricultural production, farmers in Njombe face marketing problems and expensive inputs. Inputs like fertilizers available are very expensive in such way that most of the farmers cannot afford to buy. Other farmers have decided not to use industrial fertilizers because even if they get higher production they will sell at low prices, which will not cover the production costs. Farmers are forced to sell their produce at any price even very low prices so that they get money for solving their daily demands like buying medicines, paying school fees for their children, milling machine services etc. This situation scares farmers away from engaging in cash crop production, which needs heavy industrial inputs.

Food crops like maize, round potatoes beans and tomatoes are used as cash crops also, are sold to private buyers who buy at very low prices. Cash crops like coffee, and pyrethrum are sold to primary cooperative societies. While, NJOLUMA Cooperative Union was buying even food crops when it was active. NJOLUMA Cooperative Union is a union of cooperatives from Ludewa, Makete and Njombe, for the time being the society is not working it is dormant. However farmers complain of NJOLUMA Cooperative Union,

which collected farmer's crops and could not pay before being dormant and no explanations were given to farmers. Other farmers think that if they join societies today the same thing might happen.

Njombe District has many AMCOS compared to other districts in the region. The district has 34 primary AMCOS, only 24 are active the rest are dormant. These societies have 953 members; out of this 675 are males and 278 females. AMCOS in Njombe District are engaged in marketing of cash crops only. These primary societies do not use the dormant NJOLUMA in doing their business. Different primary cooperative societies collect crops from farmers and look for markets, for example coffee crop which is collected from farmers (members and non-members) in the district is sent to Ninga Agriculture Marketing Cooperative Society. From Ninga collectively they sent the coffee to Mbozi, in Mbeya Region for processing before it is sent to Moshi for auction. Farmers are paid later after the sales are done in Moshi.

4.2.2 Type of economic activities

The main economic activities undertaken in the study area include farming, livestock keeping and business. However 45.8% of the respondents are engaged in farming. About 45% of the respondents depend on farming and keeping livestock as source of their food and income. Seven point six percent of the respondents are farming and business, while 1.6% of the respondents are engaged in farming, business and livestock keeping. This

distribution of activities indicates typical characteristics of the majority of rural people who depend on agriculture for their subsistence. Moreover, rural people have more experience in farming than any other activities, which could be another reason for the majority to participate in agriculture.

The chi-square test shows that there is significant difference between members and non-members in terms of economic activities undertaken by the respondents. This gives the implication that economic activities have influence to farmers' participation in AMCOS. These findings are in agreement with Nanai's (1993) findings who found that wealthier people tend to participate more than poor ones. Therefore farmers need help to raise their economic status even before joining the societies. Also they have to be educated that AMCOS are meant for helping the poor people to increase their income by pooling their resources together.

Table 8. Distribution of respondents according to economic activity (n=120)

Activity	Members		Non-members		Total	
	Number	Percent	Number	Percent	Number	Percent
Farming	18	30	37	61.6	55	45.8
Farming & livestock	33	54.8	21	35.2	54	45
Business & farming	9	15.2	0	0	9	7.6
Farming, business & livestock	0	0	2	3.2	2	1.6
Total	60	100	60	100	120	100
Chi-square level = 20.230		DF = 3		Significance level = 0.001		

Source: Survey data 2001

4.2.3 Cash crop production.

The major cash crop grown in the study area are coffee, tea, pyrethrum and timber. About 21.7% of members interviewed against 46.5% of non-members grow coffee. While 11.7% members against 23.3% of non-members grow tea, coffee and tea is grown by 20% of members against 7.0% of non-members. Pyrethrum is grown by 15.0% of members against 14% of non-members. Coffee and timber is grown by 11.7% of the members. While 6.7% of members against 4.7% of non-members grow coffee and tomatoes.

From these results we can see that, non-members who grow cash crops, are not committed to sell to AMCOS, if they get another market. AMCOS is losing these crops, which might add to the funds of the society through society levy money, which is normally retained by the society from sales of members' crops to run the society functions. The possible reasons, which make these people not to join AMCOS is due to the fact that, they get the market services without problem from AMCOS as like members. Non-members were not ready to join AMCOS because they do not see any reason of bearing risks of depositing their money to buy shares and membership fees if they get all marketing services they want without being members.

However, the results of this study show that, there is significant difference between members and non-members in relation to cash crop production.

Therefore cash crop production has influence to farmers' participation in AMCOS. It is expected that, farmers with cash crops are more likely to participate in AMCOS than farmers without cash crops. This was not the case in this situation, there are many farmers with cash crops who are not members. Therefore, cash crop production has no influence to farmers' participation. AMCOS need to differentiate services delivered to members and non-members so as to increase the number of members.

Table 9. Distribution of respondents by type of cash crops (N = 120)

Crops	Members		Non-members		Row Total	
	Number	Percent	Number	Percent	Number	Percent
Coffee.	13	21.7	20	46.5	33	27.5
Tea	7	11.7	10	23.3	17	14.2
Pyrethrum	9	15	7	14	16	13.3
Timber	0	0	3	4.7	3	2.5
Coffee & timber	7	11.7	0	0	7	5.8
Coffee & tea	12	20	3	7.0	15	12.5
Coffee, tomatoes, timber & Soya	8	13.3	0	0	8	6.7
Coffee & tomatoes	4	6.7	2	4.7	6	5.0
Chi-square value = 23.516		DF = 8		Significant level = 0.001		

Source: Survey data 2001

4.2.4 Food crops production

The major food crops grown in the area of study are maize, beans, wheat, potatoes and sunflower. The results from the respondents show that, 65.0% of the members against 63.3% of non-members produce maize and beans. While 11.7% of members against 5.0% non-members produce maize, beans and wheat. Maize, beans, sunflower and wheat are produced by 10% of the

non-members. Maize wheat and vegetables are produced by 6.7% of members against 5% of non-members, while 8.3% of members produce maize, wheat, beans and potatoes. Another 8.3% of members against 5.0 of non-members grow maize, wheat and potatoes. Maize alone is produced by 8.3% of non-members. Maize and beans are staple foods for residents of Njombe District, followed by round potatoes and wheat. The first priority of producing food crops is for family consumption although some crops like maize, beans, tomatoes, sunflower, round and sweet potatoes and wheat are also used as cash crops.

The Chi-square test shows that there is significant difference between food production and farmers participation. This implies that, food has influence to farmers' participation in development activities, co-operative activities inclusive. Food availability is very important, in order to have farmers with enough food for survival and settled mind who can think for other development activities. This reminds cooperative developers, of the importance of collaborating with other sectors in development, like agricultural experts who could help farmers to have higher production to have enough food for consumption and selling the surplus.

Table 10. Distribution of respondents by type of food crops grown (N = 120).

Crop	Members		Non-members		Row Total	
	Number	Percent	Number	Percent	Number	Percent
Maize	0	0	5	8.3	5	4.2
Maize & beans	39	65	38	63.3	77	62.2
Maize, beans & wheat	7	11.7	3	5	10	8.3
Maize, potatoes & beans	5	8.3	0	0	5	4.2
Maize Wheat, potatoes	5	8.3	3	5	8	6.7
Maize, wheat, vegetables	4	6.7	3	5	7	5.8
Maize, wheat, sunflower	0	0	6	10	6	5.0

Chi- Square value =20.256, DF =7, Significant level =0.005

Source : Survey data 2001

4.2.5 Source of labour

The results from the study show that about 66.7% of the members of AMCOS depend on family labour for farming activities, while 25% depend on hired and family. Hired labour was mentioned by 6.6 %. Work parties locally known as "Mgowe" was used by 1.7% as a source of labour. In a work party, respondents explained that, they normally work together in ones field in rotation. The owner of the field prepares food or local brew, which they eat or drink after the work. These findings are in agreement with Ashimogo's (1995) findings. Ashimogo (1995) observed reliance of family labour for farm work to predominate in most of households. Although "Mgowe" is the easiest way which most of the farmers can afford, civilisation has changed farmers behaviuor, farmers prefer working independently rather than depending on each other.

Table 11. Distribution of members by source of labour (N= 60)

Source	Number	Percent
Family	40	66.7
Hired & family	15	25.0
Hired	4	6.6
Work parties	1	1.7
Total	60	100

Source: Survey data 2001

4.2.6 Members income per annum.

As self help organization, co-operatives have to rely basically on financial contributions from members for the working capital. Cooperative development therefore requires that the average person is able to afford the minimum contribution required (URT, 1970). This study revealed that 54.2% of the respondents were earning between 100,000/= and 200,000/= per annum while, 26.6% of respondents were earning above 200,000/= and 19.2% of the respondents were getting less than 100,000/= per annum. According to CIMMYT (1993) in most cases farmers with more income are able to take advantage of innovations, while many of those who will not adopt may complain of lack of cash or credit as the principle factor limiting their adoption. From this study the annual income is enough for members to pay for membership fee and entry fee. According to explanations given by members in this survey, the entrance fee was 1500/=, the amount is enough to enable farmers participate in share and fee contributions. This study shows that, there was no significant difference in terms of income of members and non-members. This implies that, income has no influence to

farmers participation in AMCOS. Farmers of low income can participate in AMCOS as well as farmers with high income.

Table 12. Distribution of members by annual income (N=120)

Income	Number	Percent
Less than 100,000/=	23	19.2
Between 100,000 \$ 200,000/=	65	54.2
Above 200,000/=	32	26.6
Total	120	100

Source: Survey data 2001.

4.2.7 Marketing of agricultural products

This section gives description of the respondents markets for their produce, price determinants and the influence of private traders on the income of farmers. This study revealed that 52.5% of respondents sell their produce to private traders while 26.7% of respondents sell their produce to society and private buyers. Only 20.8% said that they sell all their crops to the society. As mentioned above these are cash crops. There are farmers who produce food crops for family use and business as well. Normally cash crops are sold to society and food crops sold to private buyers. Members were asked why they sell some of the cash crops to private traders, they admitted that, they have to sell a portion of cash crops so that they get immediate cash to solve immediate problems like paying school fees, paying hospital charges, grain milling services etc, rather than selling all the crops to the society where they have to wait till the crops are sold, before they get the payments. This study reveals that members are more committed to sell crops to the society than

fellow non-members. If at all cooperatives have capital for buying crops in cash from farmers they would be in a position to control the market by buying all crops. Societies have to design ways of getting own funds for paying farmers in cash at least first payments before they sell the crops.

Table 13. Distribution of respondents by where they sell their crops (N=120)

Where sold	Members		Non-members		Total	
	Number	Percent	Number	Percent	Number	Percent
Society	24	40	3	5	25	20.8
Private buyers	6	10	55	91.6	63	52.5
Society & private buyers	30	50	2	3.4	32	26.7
Total	60	100	60	100	120	100
Chi-square value =26.968			DF = 2		Significant level = 0.001	

Source: Survey data 2001

4.2.8 Pricing of agricultural products

Under free market economy prices are supposed to be determined by market forces that is supply and demand. About 89.2% of the respondents said that private traders set prices and 5.8% said prices are set by co-operatives and private traders while 2.5% said co-operatives set prices for their crops.

This study has revealed that, private traders who have cash set different prices at different times and places, they are influencing prices. They can set different prices in the morning and change it in the afternoon or the next day. Free market was meant to increase competition so that it raises producers

income, this is not working in this country. Private traders operating at farm level normally work together to fix the same price, so there is no fair competition. The farmers become the loser. It was explained that the same thing happens at the auction in Moshi. The government should take deliberate efforts to save innocent farmers. Because these practices exploit farmers and confuse them, they become undecided, unless they are well educated in co-operative principles, so that they know the advantages, benefits and be committed to co-operatives, they will obviously go for private traders who offer them cash even if it is smaller in amount.

Table 14. Distribution of respondents by who sets crop prices (N=120)

Who set prices	Members		Non-members		Total	
	Number	Percent	Number	Percent	Number	Percent
Cooperatives	3	5	0	0	3	2.5
Private traders	50	83.4	57	94	107	89.2
Cooperatives & private traders	7	11.6	0	0	7	5.8
Private traders & others	0	0	3	5	3	2.5
Total	60	100	60	100	120	100
Chi-square value = 13.458		DF = 3		Significant level = .0.004		

Source: Survey data 2001

4.2.9 Influence of private traders on crop sales

Results from this study show that, 73.4% of the respondents said private traders give low prices, which fluctuates from time to time. While 13.2% said, private traders provide easy market but with low prices and 8.4% said private traders give higher prices and easy market. Five percent said private traders provide easy market and price fluctuations. Although private buyers provide easy market services to farmers and they pay hard cash on the spot when they collect the produce, farmers are not satisfied with their services, if they had other better alternatives they would go for that. From the study it can be concluded that, inspite of the easy market provided by private traders, farmers are not satisfied with the prices offered. Co-operatives can address these weaknesses to attract more members.

Table 15. Distribution of non-members according to how private traders influence the market for agricultural products (N=60)

Comment	Frequency	Percent
Low prices & fluctuations	44	73.4
Easy markets & low prices	8	13.2
High prices & easy market	5	8.4
Easy market & Price fluctuations	3	5

Source: survey data 2001

4.3 Membership in AMCOS

This section describes the respondents knowledge and conditions for joining AMCOS, members views regarding membership fees, reasons for joining AMCOS, training / seminars in cooperatives attended, election of leaders and attitude to leaders.

4.3.1 Knowledge and conditions governing membership

From the study it was found that there are conditions for membership where by individuals have to pay 1500/= to the society as membership fees to consolidate the society account. Another condition mentioned was a share capital, members have to pay a share capital of 3000/=. Registration fee and share contribution was mentioned by 61.7% of respondents and 42.1% of non-members said they did not know conditions governing membership. Whereas 11.7% of the respondents said registration fee, attending meetings, being honest and responsible to society demands as conditions for membership. Ten percent of respondents mentioned registration fee, share and being a farmer as pre-condition for being a member. Six point six percent said registration fee and participation in daily activities of the society as a condition for being members.

The chi-square test showed that, there is significance difference of conditions governing membership between members and non-members. This implies that more members know conditions governing membership

than non-members. These results are in line with Banturaki, (2000) findings, who found that, lack of systematic member education on cooperatives and understanding amongst the members and the general public, had contributed much to the poor response to join cooperatives. Ignorance might have contributed to prevent farmers who would be potential members to join cooperatives and hence missed the benefits, which they could get from AMCOS. From this study we can conclude that, cooperative education should be conducted to the whole society not to members only, if we want to develop cooperatives through increasing membership.

Table 16. Conditions governing membership (N=120)

Conditions	Members		Non-members		Total	
	Number	Percent	Number	Percent	Number	Percent
Registration fee & share	37	61.7	13	29.8	50	41.7
Reg. Fee, share & be farmer	8	13.3	4	7	12	10
Reg. Fee, honest, attend meetings	4	6.7	10	12.3	14	11.7
Reg. Fee & participate daily activity	5	8.3	3	3.5	8	6.6
Reg. Fee, share & sell crops to society	6	10	4	5.3	10	8.3
I do not know	-0	0	26	42.1	26	21.7
Chi-square value = 35.791		Df = 5,		significant level = 0.001		

Source: Survey data 2001

4.3.2 Views regarding membership fees.

For a farmer to become a member he/she has to pay membership fees, (non- refundable), and share capital. Respondents were asked to give the opinions on how they assess membership fee. Table 15 shows that 55.7% of the respondents view membership fees as being reasonable, while 25% of respondents said that the membership fees were too high. Very low membership fee was reported by 10.5% of the respondents and 8.8% said they have no comment. In general respondents feel that the membership fee is fair. This amount is not supposed to scare non-members to join AMCOS.

Table 17. Distribution of respondents by views regarding membership fee
(N=120)

Views	Members		Non-members		Total	
	Number	Percent	Number	Percent	Number	Percent
High	1	1.6	28	48.4	29	25
Reasonable	49	82	17	29.4	66	55.7
Very low	9	16.4	3	4.6	13	10.5
No comment	0	0	12	17.6	12	8.8

Chi-square value = 23.367, DF=3, Significance level = 0.001

Source: survey data, 2001

4.3.3 Reasons of joining society

Members were asked what made them or attracted them to be members of cooperative society. About 31.6 % said other members influenced them and they wanted a market for their coffee. While 26.3% wanted market for their

tea and coffee. Nineteen point three percent got advice from cooperative officers and they wanted market for their coffee and input credits. However, 12.3% mentioned that, they wanted market for their produce, get advice from cooperative officers and social interaction with other members. While 10.5% wanted markets for their crops, credits of inputs and coffee management advice. Almost all respondents were after getting reliable markets for their produce and input credit.

Table 18. Distribution of members by reasons of joining AMCOS (N=60)

Reason	Frequency	Percent
Influenced by other members & get market	13	31.6
To get market for tea & coffee	15	26.3
Advised by coop. Officer, get market & input credit	11	19.3
Get market, & social interaction.	7	12.3
Market, credit and coffee management advice	6	10.5

Source: survey data 2001

4.3.4 Views to services provided by AMCOS

The function of AMCOS in Njombe is to provide farm inputs, training and marketing services to members. It is believed that, services provided to members by AMCOS could influence members' participation in terms of doing business with the society, contributing resources and attract non-members to join the society, only if members will have an advantage over non-members. However, no credits in inputs are provided and crops are taken on credit, AMCOS do not pay in cash when they collect the crops. About 70% of all members interviewed said there are no services provided by the society more than marketing of their cash crops. While 30% of the

members said they are satisfied with the services given by the society. These findings are in agreement with Banturaki's, (2000) argument, who argued that, failure of cooperatives to buy farmers' crops in cash terms had been a bother for so long and this was noted as very frustrating to cooperative members. These results imply that, there is dissatisfaction among members in the services provided by their societies. Members are not satisfied with services rendered by the societies. Therefore, management of societies should be aware that, members can only maintain their membership voluntarily and participate actively in maintaining their society, if they are satisfied in their needs better through the society than any other means. Similarly, Maini (1972), contented that the strength of cooperatives lies in the cooperators motivation, self help and expression.

Table 19. Distribution of members by services provided by AMCOS to members.(N=60)

Services	Frequency	%
Satisfied	18	30
Not satisfied	42	70
Total	60	100

Source: Survey data 2001

4.3.5 Training / seminars in co-operative attended.

Members' education is the education of the lay, non-professional personnel of the co-operative movement in the principles, practices of co-operation, the rights and responsibilities of the members and functions of cooperatives.

The results from this study found that 77.5% of the total respondents has not attended any seminar or training in co-operatives. While only 22.5% of the respondents said have attended training in o-operatives. However, Banturaki (2000) found that, only 2.7% of the members had attended cooperative education through workshops and seminars. This implies that most of the AMCOS at grassroots has been formed by illiterate cooperative membership, a situation which will not allow fully member participation in AMCOS management and activities. This is due to the fact that, member education helps to impart co-operative ideas, spirit, general members economic and social development. Moreover, education develops enlightened, loyal members who participate fully in co-operative activities and management of their society. Member education is for the success and well being of any co-operative movement. Without an adequate and continuous programme of member education, steadfastly and correctly implemented, no co-operative movement can have a lasting success.

The Chi-square test shows that there is significant difference between members and non-members in terms of training in cooperative education. This implies that members are more likely to attend training than non-members. This study shows that, more members (36.7%) have attended training than non-members (8.3%). It is important to educate the whole society through radios and magazines on the importance or benefits of co-operatives in order to attract more enlightened members.

Table 20. Distribution of respondents by seminar / training attended (N=120)

Respondents	Member		Non-member		Row total	
	Number	Percent	Number	Percent	Number	Percent
Yes	22	36.7	5	8.3	27	22.5
No	38	63.3	55	91.7	93	77.5
Total	60	100	60	100	120	100

Chi-Square value 12.946, DF = 1, Significant level = 0.001.

Source : Survey data 2001.

4.3.6 Election of leaders.

This section gives a discussion on how leaders were obtained. Leadership is considered to be a very important component for the management of the society. Leaders who facilitate the activities of the society best create confidence and motivation. He can easily influence attitude of local people towards co-operatives. In this study majority (85%) of the respondents said leaders were elected at annual general meeting, the rest 15% said they do not know. For the later category the members had just joined the society and thus were not aware of the nature of the society.

Table 21 Distribution of respondents by leaders election (N=60)

How leaders obtained	Respondents	Percent
Election	51	85
I do not know	9	15
Total	60	100

Source : Survey data 2001.

4.3.7 Views on Leaders

About 60% of the members respondents said they have no problem with their leaders, their leaders are good, they are very helpful in finding markets for their crops, they listen to members views and allow them to discuss and reach decisions together. While 35% said decisions are made at meetings, they do not have enough time for discussion and the rest 5% said, they are not involved in making decisions, the leaders themselves make decisions.

Although, 60% of the respondents said, they are satisfied with the leadership style, the reasons given by 35% of respondents that they do not get enough time to discuss thoroughly the societies affairs is a very important issue which needs to be addressed. A good leader will make sure that all the members are satisfied with the decision reached by encouraging full members participation in decision making.

Table 22: Distribution of respondents by views on leaders.

Views	Respondents	Percent
Good listen to members	36	60
Time not enough for discussion	21	35
Decision made by leaders themselves	3	5
Total	60	100

Source: Survey data 2001.

4.4 Reasons for not joining AMCOS.

Non-members were asked to give reasons which hinder farmers to join AMCOS. Reasons given are grouped into two parts, social and economic reasons.

4.4.1.Social factors

Non-members were asked why they have not decided to join AMCOS while they know that it facilitated the marketing of their crops. Out of 60 non-members interviewed, 41.5% mentioned dishonest and fraud of leaders that, discourage them to join societies. While, 18.2% of non-members said they do not know any benefits of joining AMCOS. Members have no added advantage over non-members in terms of marketing services offered by AMCOS. Seven point three percent said they are thinking to join AMCOS if services improved and 5.5% they were are not interested in AMCOS. While 5.5% mentioned difficult joining conditions as an obstacle in joining AMCOS, co-operatives are for those who have cash crops was mentioned by 5.5% of non-members and the rest 3.6% mentioned lack of time in attending AMCOS activities and meetings. Multiparty politics was mentioned by 1.8% of non-members, other farmers still think that cooperatives belong to the ruling party. On that account they didn't join cooperatives thus missed the benefits gained by members.

Table 23: Distribution of non-members to social factors, which hinder participation in AMCOS

Factors	Respondents	Percent
Dishonest and fraud of leaders no faith with them	23	41.5
No visible benefit of joining AMCOS	10	18.2
They may join AMCOS if services are improved	4	7.3
Not interested to join AMCOS	3	5.5
AMCOS for farmers with cash crops	3	5.5
Difficult joining conditions	3	5.5
Lack of time in attending society activities and meetings	2	3.6
Multiparty has divided people into groups	1	1.8

Source: Survey data 2001

4.4.2 Economic factors

About 14.4% of non-members interviewed said, they do not want co-operatives because they buy crops on credit they do not give them cash. While 12.7% said they do not want to commit themselves to AMCOS because they lost their crops during NJOLUMA Cooperative Union and no explanations were given to them. They would join co-operatives if it provided credit in inputs was mentioned by 9.1%. While 7.3% said they lack money for entrance fee, otherwise they would join.

Table 24. Distribution of respondents to economic factors

Factors	Respondents	Percent
AMCOS buy crops on credit	8	14.4
Afraid to get loss as NJOLUMA case	7	12.7
Lack of credit in inputs	5	9.1
Lack of money for entrance fee	4	7.3

Source: Survey data 2001

4.5 Suggestions on how to attract more members

Members were asked to give their suggestions on what they think can help to raise the number of members. Low number of members leads to low capital base, which could have been formed by share capital subscriptions and entrance fees, from large number of members.

Table 25: Distribution of respondents according to suggestions on how to attract more members. (N = 60)

Suggestion	Frequency	Percent
Provide credits for farm inputs	12	24
Conduct member education for the whole society	13	26
Educate leaders on their responsibility	1	1.7
Need honest leaders	15	30
Find markets for other crops	6	12
Improve services to members	3	6
Remove membership fee	4	8
Buy crops on cash	9	18
Meetings for all farmers	4	8
Financial report needed	7	14

Source: Survey data 2001

The data in Table 25 showed that, 30% of respondents said honest and committed leaders could attract many farmers to join AMCOS while 26% of members suggested that, co-operative education is very important to be delivered to the whole society, be it in terms of seminars, pamphlets, magazines or radios etc. so that, the whole community knows the importance and benefits of being members. However 24% of respondents said, if societies provided credits for farm inputs to members it would attract many farmers to join AMCOS. While 18% said AMCOS should find ways of getting

loans, so that they pay cash at least the first payment when they collect the crops. The rest 14%, 12%, 8%, 8% 6% and 1.7 said that AMCOS should give financial reports on regular basis, think of finding markets for other crops, like maize, beans which are produced by almost all farmers, remove membership fee, conduct meetings for all farmers not members only, improve services to members and educate leaders on their responsibilities respectively.

According to Freshwater (1989), small farmers require assistance in terms of resources for adoption of improved agricultural technologies in order to realize higher productivity and thus higher incomes. Furthermore he said, this is only possible if they have access to credits and markets for their produce. However, agricultural inputs are very expensive these days in such a way, that many farmers do not use fertilizers any more. What has been revealed here is poor management, services and lack of member education hinder farmers participation in AMCOS, therefore cooperative education is very important.

Summary

The study examined the socio-economic factors influencing farmers participation in agricultural Marketing Cooperative Societies. For the purpose of this study the identified factors included age, sex, marital status, formal education, cooperative education, land acquisition, land distribution,

economic activity, Markets for agricultural produce, cooperative education, leadership and services provided by AMCOS to members.

The Chi-square test of significance showed that there was no significant relationship between such factors as sex, marital status, formal education, land distribution, land acquisition, labour and farmers participation in AMCOS. However there was statistical relationship between such factors as age, economic activity, markets for agricultural produce, cooperative education, services provided by AMCOS, leadership and farmers participation in AMCOS. The factors that showed statistical relationship with farmers' participation have influence to farmers' participation in AMCOS. Based on the findings of this study, these are critical factors, which should not be neglected by those who are interested in AMCOS development.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

Based on the findings of the study the following conclusions are made.

- i). This study revealed that the major problem to most of the respondents in the study area was lack of cooperative education. Many farmers have not attended any seminar or training in co-operative education. This has contributed much to reduce farmers' participation in AMCOS activities.

- ii). Poor services provided by AMCOS to members, which does not distinguish between members and non-members discourage non-members to join the society.

- iii). The study shows that farmers are not impressed by the process of AMCOS of collecting crops without immediate payments, therefore societies have to find cash which can be used to pay farmers when they bring their crops.

- iv). Farmers past experience with NJOLUMA where they lost their crops discourages many to join the society they think it might have the same ending.

v). Poor management with unfaithful leaders was mentioned as another factor, which hinder farmers participating effectively in AMCOS.

vi). Co-operative education, farmers' income, leadership, services to members cash crops and income have shown to have influence to farmers' participation in AMCOS.

viii). Most of non-members showed interest to join AMCOS if services are improved, buying crops in cash and credits in inputs are provided.

5.2 Recommendations

Based on the conclusions drawn from the findings, the following recommendations are made

i) AMCOS should provide members' education to members and non-members so as to make them aware of their rights and obligations as cooperators.

ii). Cooperatives as self-help organizations must focus on their members needs. Only when members can satisfy their needs better through their co-operatives than through any other alternative body will they be prepared to acquire and maintain membership voluntarily and participate actively with

their resources. Therefore, services provided by AMCOS must be improved to meet the demands of members

iii). In order to restore the credibility of co-operatives in the eyes of the co-operators and of the public, it is necessary to return to the classical pattern of co-operative societies being private business organizations, serving mainly or exclusively the interest of the members.

iv). Participatory and dynamic management is needed. Management should be more transparent, interactive to people they are managing, flexible and stable which can identify problems, seek solutions and be ready to face challenge.

v). Since there is close relationship between co-operative membership and wealth maximization the management of co-operative societies has to focus on increasing their members purchasing power through minimization of costs of services now provided. They should reduce governance, selling, marketing and financing costs directing the resultant cash to their members.

vi) Cooperatives have to build up their own funds through members' contributions and reinforce over the years by undistributed surplus, which they can use for paying to farmers when they collect crops and use some of the funds to conduct members' education.

vii). Cooperatives should diversify business activities. The lines of diversification however, should be relevant to members' activities. Short of these many co-operatives will continue to have few members with cash crops only.

viii) AMCOS have to learn to operate like private organizations, with professional management. Special programmes should be developed to train leaders in entrepreneurship and business management in competitive environment. The challenge under open market economy requires enhanced business skills.

ix) Membership has to be broadened through conscious efforts to recruit women and youth on single membership basis.

x) AMCOS have to review the way they offer services to members and non-members; there should be a difference in services provided between the two. This will attract non-members to join the society

xi) The government should improve transport facilities and other types of infrastructure necessary for transformation of agriculture, making rural areas accessible through maintenance of all-weather roads, this could both contribute to enhancing sustainability of AMCOS and facilitate easy crop transportation to the processing and selling points.

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APPENDICES

Appendix 1: Questionnaire for members of AMCOS

**SOKOINE UNIVERSITY OF AGRICULTURE, MOROGORO
DEPARTMENT OF AGRICULTURAL EDUCATION AND EXTENSION**

STUDY TOPIC: Socio-economic factors influencing farmers participation in Agricultural Marketing Co-operative Societies. The case study of Njombe district, Iringa region.

Respondents number _____

Name of Co-operative Society: _____

Date of Interview: _____

1. Female/Male

	1. Male
	2. Female
2. What is your age?

	1. 18 to 29 years
	2. 29 to 39 years
	3. 40 to 50 year
	4. 51 and above
3. What is your marital status?

	1. Single
	2. Married
	3. Widow
	4. Separated
4. What is your educational level?

	1. No education at all
	2. Primary education
	3. Secondary education
	4. University
5. What is your approximate family income per year (Tshs)

	1. Less than 100,000
	2. between 100,000 and 200,000
	3. 200,000 and above
	4. I do not know

6. What is your basic activity in the society?

- _____ 1. Member
- _____ 2. Leader
- _____ 3. Member of board

7. Personal activities of a member

- _____ 1. Farming
- _____ 2. Livestock keeping and farming
- _____ 3. Livestock
- _____ 4. Others

8 a) If farming what crops grown?

- | Cash crops | Food crops |
|--------------------------|----------------|
| _____ 1. Coffee _____ | _____ 1. Maize |
| _____ 2. Tea _____ | _____ 2. Wheat |
| _____ 3. Pyrethrum _____ | _____ 3. Beans |

b). What is the source of labour in your farm?

- _____ 1. Family only _____ 3. Hired only
- _____ 2. Hired and family _____ 4. Work group

9 a). Is the food produced in your farm enough for your family for the whole year?

- _____ 1. Yes
- _____ 2. No

b). If no, what measures do you take to compensate for deficit?

10 a) Do you own land? _____ 1. Yes _____ 2. No

b) If no why?.....

c). If Yes, what is the size of the owned land? (Acres)

11 a) How did you get the land

- _____ 1. Inherited
- _____ 2. Hired
- _____ 3. Others (specify)

b) Is it possible to obtain more land? _____ 1. Yes _____ 2.

No.

c) If no explain why? _____

12 a) Describe how you reached the decision to become a member of these society?

b) Or did anybody influenced you to join the society? _____

c) Who influenced you? _____

d) What benefits were you expecting from the society?

- _____ 1. Access to services provided from the society?
- _____ 2. Others (specify)

13 a) If married is the spouse a member of society?

_____ 1. Yes

_____ 2. No

b) If no, why? _____

14. What are the conditions governing members in the society?

15 a) Do you pay membership fees?

_____ 1. Yes

_____ 2. No

b) If yes what is the amount _____

c) What is your view with regard to membership payment fee

_____ 1. High

_____ 2. Reasonable

_____ 3. Very low.

d) If membership fees became too high would you leave the society ?

_____ 1. Yes.

_____ 2. No

16a) Do you get credit as one of your co-operative services?

_____ 1. Yes

_____ 2. No

b) If there was no credit would you leave the society?

_____ 1. Yes

_____ 2. No

c) If Yes, you get your credit in what form

_____ 1. In input form

_____ 2. In cash form

d) How do you pay back the loan?

_____ 1. reduced from the sale of crops

_____ 2. By cash

_____ 3. Others (specify)

e) Do you get any training on how to use the credit?

_____ 1. Yes

_____ 2. No

f) Is training offered as incentive for you to remain in the society?

_____ 1. Yes

_____ 2. No

e) What is the security required for the loan to be granted?

- 17 a) Where do you sell your produce
 _____ 1. To the society
 _____ 2. To private buyers
 _____ 3. Private buyers and society
 _____ 4. Others
- b) When do you get the payments?
 _____ 1. Immediately when I sell my crops
 _____ 2. Later on after the society sells the crop
- 18a) Who sets your crop price?
 _____ 1. Co-operative societies
 _____ 2. Private traders
 _____ 3. Others (Specify)
- b) How did you rate prices for your crops?
 _____ 1. Very high
 _____ 2. High
 _____ 3. Low
 _____ 4. Very low
- 19 How many days per month do you participate in the Co-operative activities

- 20 In which ways do you participate in the co-operative activities?
 _____ 1. Leader
 _____ 2. Labour contribution
 _____ 3. Financing contribution
 _____ 4. Attending meeting
 _____ 5. Others (Specify)
8. That do you think are reasons which make others not to be members of the cooperatives _____

- 22 a) Are the extension services available?
 _____ 1. Yes
 _____ 2. No
- b) If yes what type of extension services do you get.
 1. _____
 2. _____
 3. _____
 4. _____
- c) To what extent are the extension services available?
 _____ 1. Available through out the year
 _____ 2. Periodically available

- _____ 3. Not available at all.
- d) Have you attended any seminar/training for the last 12 months?
 _____ 1. Yes
 _____ 2. No
23. What processing of the crops is done before selling? _____
24. Who does the processing? _____
- 25 a). Are you engaged in any non-farm activities?
 _____ 1. Yes
 _____ 2. No
- b). If yes, what is the reason for undertaking these non-farm activities?
 _____ 1. Additional income sources
 _____ 2. Self employment
 _____ 3. Giving a service
26. What was your source of capital for the non-farm?
 _____ 1. Farm sales
 _____ 2. Own savings
 _____ 3. loans from
 _____ 4. Other (specify)
27. How did you rate your household income you earn for the whole year?
 _____ 1. High enough
 _____ 2. Moderately enough
 _____ 3. Not enough at all
28. If moderately or not enough at all in Item 33 above, what do you do to cover the deficit.
 _____ 1. Borrow money from others
 _____ 2. Borrow goods in kind form others
 _____ 3. Nothing to do
29. How do you compare your household income you earn after joining the co-operative society and before?
 _____ 1. Now I earn high
 _____ 2. I earn the same
 _____ 3. I earn little
 _____ 4. Now I earn very little
30. Do you participate in electing your leaders
 _____ 1. Yes
 _____ 2. No
31. If no why? _____
32. In general what motivates members to join co-operative societies
33. What are your general comments on management of your society
-

Appendix 2: Questionnaire for Non-members

QUESTIONNAIRE FOR NON-MEMBERS OF A CO-OPERATIVE SOCIETY.

- Name of the Respondent _____
 Village name _____
 Data of Interview: _____
1. Male/Female _____
 2. Name of village _____
 3. Marital status
 _____ 1. single
 _____ 2. married
 _____ 3. divorced
 _____ 4. separated
 4. Age of respondent -----(years)
 _____ 1. 18 to 30 years
 _____ 2. 31 to 43 years
 _____ 3. 44 to 56 years
 _____ 4. 57 years and above
 5. What is your education level?
 _____ 1. No education at all
 _____ 2. Primary education
 _____ 3. Secondary education
 _____ 4. Others specify
 - 6) What is your personal activity?
 _____ 1. Farming
 _____ 2. Livestock keeping and farming
 _____ 3. Livestock
 _____ 4. Others (specify)
 - 7). If farming what crops are grown?

Cash crops	Food crops
_____ 1. Tea	_____ 1. Maize
_____ 2. Coffee	_____ 2. Beans
_____ 3. Pyrethrum	_____ 3. Wheat
 - 8) If business what type of business? _____
 - 9) Do you own land?
 _____ 1. Yes
 _____ 2. No
 - b) If no why? _____
 - 10) If yes, what is the size of your land _____ (acres)

11. How did you get land?

- _____ 1. inherited
- _____ 2. Bought
- _____ 3. Hired
- _____ 4. Others

12 a) Is it possible to obtain more land?

- _____ 1. Yes
- _____ 2. No

b) If No, why? _____

13. What factors have limited you from being a member of co-operative?

- a. _____
- b. _____
- c. _____
- d. _____

14. What are the conditions governing membership in the societies?

- a. _____
- b. _____
- c. _____
- d. _____

15. What are your views with regard to conditions for membership?

- _____ 1. Too difficult
- _____ 2. Reasonable
- _____ 3. Too easy

16. Suggest ways to modifying the conditions so as to encourage membership

- a. _____
- b. _____
- c. _____
- d. _____

17. Where do you sell your produce?

- _____ 1. To the co-operative society
- _____ 2. To private traders
- _____ 3. Other channels (specify)

18. Who sets your price

- _____ 1. Co-operatives
- _____ 2. Private trades
- _____ 3. Others (specify)

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19. Would you like to join a society as a member
_____ 1. Yes
_____ 2. No
20. If no, what is the reason?
_____ 1. Not interested
_____ 2. Do not expect to benefit
_____ 3. Discouraged by Co-operative officials and other influential
- 21) Do you have access to credit facilities?
_____ 1. Yes
_____ 2. No
- 22 a) If Yes, what is the source of the credit?
_____ 1 Informal finance
_____ 2. formal finance
_____ 3. Others (specify) _____
- b) How do you manage to pay the above credit? _____

- 23a) Where do you buy your inputs?
_____ 1. In town
_____ 2. Private traders
_____ 3. Co-operative society
_____ 4. Other
- b) Are the inputs available in time when you need?
_____ 1. Yes
_____ 2. No
- 24a) Do you get any extension services?
_____ 1. Yes
_____ 2. No
- b) What type of extension services and how regular?

25. Give your general opinion about co-operative society.

Thank you very much for your contribution and co-operation