

**BUSITEMA
UNIVERSITY**
Pursuing Excellence

**INFLUENCE OF COOPERATIVES ON SMALLHOLDER MAIZE SECTOR
DEVELOPMENT: THE CASE OF NAKALAMA SUBCOUNTY, IGANGA DISTRICT**

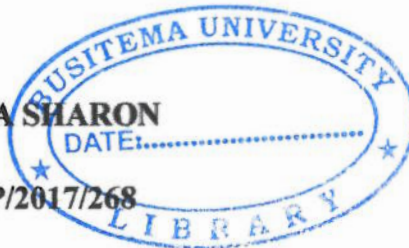
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**A RESEARCH DISSERTATION SUBMITTED TO THE DEPARTMENT OF
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DECLARATION

I LUFABA SHARON, registration number **BU/UP/2017/268** declare that this is my original work and has not been presented for any award in any university.

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APPROVAL

Name of supervisor DR. KONGAI HELLEN

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Hellen Kongai

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DEDICATION

This work is dedicated to my beloved parents Mr. and Mrs. Lufafa, from Iganga district for their love and support they have given me, then to my brothers and sisters for their guidance , my supervisor Dr.. HELLEN KONGAI and to my friend Mr. Kasiko Joel.

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LIST OF ABBREVIATIONS

| | |
|--------|--|
| RPOs | Rural Producer Organizations |
| ACEs | Area Cooperative Enterprises |
| SACCOs | Savings and Credit Cooperative Organizations |
| SPSS | Statistical Package for Social Sciences |
| KFCSs | Kiwemba Farmers' Cooperative Society |
| Etc. | Among others |
| HHS | Household Size |
| Kgs | kilograms |
| Ushs | Uganda shillings |
| PHH | Post Harvest Handling |

ABSTRACT

The purpose of this study was to find out the influence of agriculture cooperatives to the development of the maize sector, three research questions were answered and these were; What are the effects of agricultural cooperatives on maize production? What are the effects of agricultural cooperatives on maize market access? And the effects of belonging to a cooperative on maize farmer's household income. From the previous research carried out by other researchers, they found out that agriculture cooperatives are vital in the development of the agriculture sector, this research was carried out to get more information about the influence of agriculture cooperatives to the development of the maize sector. A descriptive research design and a mixed research approach were used in this study, the sample size of 73 respondents was determined using Cochran's formula, the respondents were members of KFCS and data collection was done through use of questionnaires and interviewing of key informants and data analysis was done using a regression and descriptive analysis in SPSS. The results of data analysis showed that the agriculture cooperative has helped to improve on the development of the maize sector in terms of yield, access to market and but it has not played a big role in increasing the income of the members and the use of credit to buy members products affects their consuming behavior. It is therefore recommended that the cooperative board members should adopt the payment of its members immediately after sale and the government should sensitize non members about the benefits of joining the cooperatives. Some areas that need further study are; the factors influencing the performance of agriculture cooperatives and the influence of terms of payments to the wellbeing of cooperative members.

CHAPTER ONE

INTRODUCTION

1.1 Back ground

Cooperatives are associations where several people work together towards a common goal of mutual economic benefit (Aman, 2014). Cooperatives are based on the powerful idea that together, a group of people can achieve goals that none of them could achieve alone. (Dogarawa, 2020). An agricultural cooperative, also known as farmer's cooperatives is a cooperative where farmers pool their resources in certain areas of activity and they have their own guiding principles and value concepts, such as self-help, self-responsibility, democracy, equality, equity, solidarity, honesty, openness, social responsibility, and caring for others. (Dejene, 2014). The main categories of agricultural co-operatives are; supply of agricultural inputs, joint production and agricultural marketing: Input supply involves the distribution of seeds and fertilizers to farmers, joint agricultural production cooperatives operate the cooperative on jointly owned agricultural plots and the joint agricultural marketing is where farmers pool resources for processing, packaging, distribution and marketing of a specific agricultural commodity. (Sifa, 2016).

Historically, agricultural cooperatives have played an important role worldwide in providing market access, credit and information to producers. (Francésconi, 2014). Cooperatives are present in all countries and all sectors, like agriculture, food, finance, health care, marketing, insurance and credit. It is estimated that one billion individuals are members of cooperatives worldwide, generating more than 100 million jobs. However, cooperatives are primarily agricultural. For instance In India, more than 50 percent of all cooperatives serve as primary agricultural credit societies, In Kenya, Ethiopia and Egypt, 924 000, 900 000 and 4,000,000 farmers earn income from membership in agricultural cooperatives, respectively (FAO, 2012). Agricultural cooperatives in the world have been used as a way of contributing to poverty reduction among small-holder farmers, especially in rural areas. (Mutambo, 2017).

The co-operative movement in Uganda started in 1913 driven by the urge to fight against the exploitation of the private European and Asian interests, these early cooperatives operated informally until the first cooperatives ordinance was enacted in 1946. (Nannyonjo, 2013) As of February 2020, the cooperative movement in Uganda comprised of 21,346 registered cooperative societies with an estimated 5.6 million members, employing about 16% of

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