
**SOCIO – ECONOMIC IMPACTS OF FARMER COOPERATIVES ON THE
PRODUCTION AND MARKETING OF COFFEE IN BUSULANI SUB-COUNTY,
SIRONKO DISTRICT**

BY

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DECLARATION

I LUTOMYA JOAN hereby declare that this research dissertation contains my original work and has not been submitted, in whole or in part, in any previous application for a degree. Except where states otherwise by reference, the work presented is entirely my own.

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APPROVAL

I certify that this research dissertation was written by Lutomya Joan titled socio-economic impacts of farmer cooperatives on production and marketing of coffee." Busulani Sub-County, Sironko District: under my research supervisor and now it is ready for submission.

Supervisor name: OKIPOR SIMON PETER

Signature..... 

Date..... 5th 6/2023

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LIST OF ABBREVIATION

Kgs	kilograms
SMES	Small and medium enterprises
RFS	Rural financial services
SACCO's	savings and credit cooperatives
I C A	International Cooperative Alliance
Mt.	Mountain
%	percentage
NAADS	National Agricultural Advisory Services
NGOs	Nongovernmental Organizations
Etc.	and others
Shs	shillings
Tech	technology
N	number of farmers
Min	minimum
Max	maximum
Freq	frequency
Std.devi	standard deviation
BCU	Bugisu cooperative union
DAP	Di-ammonium Phosphate
CAN	Calcium ammonium nitrate
NPK	Nitrogen Phosphorus and Potassium
SPSS	Statistical package for social science

ABSTRACT

The study was carried out in Busulani sub-county titled: “Social Economic Impact of Farmer cooperatives on the Production and Marketing of coffee in Busulani Sub-County, Sironko District. The study was guided by the following objectives to: (i) to show the roles of cooperatives’ involvement in productivity of coffee; (ii) Assess the farmer’s level of adaptability to new technological innovations in production of coffee; (iii) Analyse the strategies applied by cooperatives in Busulani sub-county for marketing coffee;(iv) and lastly, to state the challenges that farmers face in the cooperative. A qualitative case study was used in the study. A population sample size of 80. The research data was collected using majorly questionnaires. Growing of Arabica type of coffee was the main economic activity in the region. Small scale farmers were involved growing in cooperative unions which played a key role for promoting coffee production for example improving quality stands to meet market needs both locally and internationally and maintaining high yield. Failure for farmers to observe the some of the directive the requirement for growing the more complicated Arabica coffee was a major challenge for cooperatives efforts. In addition, the government did not lower interests on loans from cooperatives and they remained limited in financing agricultural activities. The following were recommendations from the study: Financial incentives needed include loans, tax subsidies, grants and provision of farm inputs for example seeds and pesticides and fertilizers. While it isn’t common to provide cheap loans, efforts must be made for farmers to access simple loans without going through much bureaucracy. Findings showed that farmers lacked consistency in terms of fulfilling all the requirements for increasing production and improving the quality of Arabica coffee. Incentives most outstandingly affordable loans, skilling farmers and sharing information were key to improving the level of participation of farmers. Cooperatives are organized to up-date extension workers on particular areas of improvement.

CHAPTER ONE

1.0 Introduction

This chapter gives an overview of research on cooperatives' role in coffee production and the social-economic output arising from the participation of farmers in cooperative' financial, training, technical advisory and coffee marketing among other services that directly contribute to the growth of a coffee farmer. In our study, we are guided by the assumption that the development of cooperative unions has the potential to provide the much needed impetus to coffee growers resulting in the aggregate socio-economic growth. This chapter is sub-divided into background of the study, statement of the problem, objectives, questions of the study, scope, limitations and delimitations and theoretical background.

1.2 Background of the study

Coffee production attracts enormous economic benefits in today's increasingly competitive business environment that encourages and nature's entrepreneurship. Where hundreds of thousands of small business owners try to create a dynamic force that may end up revolutionizing business. Coffee is currently one of the most valuable traded agricultural products on world market. Coffee industry is singled out by many countries as providing numerous employment and livelihood source to many households and contributing significantly to the aggregate economic growth of the exporting countries (ITC, 2011).

The high demand for coffee on global market is associated to the growing population which is attracting many investors because it offers attractive payments. It has become an important source of livelihood for many household, providing employment and attracting large foreign capital investment into the economy. However, it is to be noted that starting a small business is risky and the odds of succeeding are poorer.

The survival of small business is very crucial for economic growth of many countries which calls for more swift government policy interventions needed to create more favourable societal organisational environment for higher and quality production. Coffee production is therefore an important strategy used by many countries for alleviation of poverty because it requires both of unskilled or semiskilled and the skilled knowledge and experience at different levels of production. Coffee farming at household level is cheaper to start and employs family member majorly for labour.

According to Salad A.F *et al*, (2021), a small scale farmer uses an average size of about 1.56ha of land. Although, most of the farming resources are available locally, specific firm inputs often requiring large capital can be accessed through cooperative unions. Coffee production undergoes a number of stages before the final product is reached. The lucrative business necessitates that a potential farmer should have access to crucial support services

- ii. The cooperative should pay farmers promptly upon delivery of coffee.
- iii. Farmers should be paid at a competitive price by cooperatives in order to motivate them such that they remain loyal to the cooperative.
- iv. Provision of more farm inputs on time by cooperatives to farmers. This will help the farmers to increase on their economic yields.

5.3 Areas for further studies

Other researchers may explore these areas of study.

- i. A comparative study of cooperative and other models of promoting SMEs.
- ii. Why most farmers are unable to access credit services in the cooperative.

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- Sironko District Local Government planning unit, Sironko District Local Government production Unit

APPENDIX 1: HOUSEHOLD QUESTIONNAIRE FOR SMALL SCALE COFFEE FARMERS

Instructions

Please tick in the appropriate box and also fill in the blank spaces provided for those questions where answers are required. You are requested to complete this questionnaire as honestly and objectively as possible. Use the space at the back of this questionnaire if you need more space for your responses:

RESEARCH QUESTIONNAIRE

Introduction

Dear respondent,

I am Ms. Lutomya Joan, a student of Bachelor of Agribusiness of Busitema University, Arapai Campus, and Soroti. I am currently carrying out my final-year research on the topic **Socio-economic impacts of farmer cooperatives on the production and marketing of coffee in Busulani sub-county, Sironko district**. You have been identified to take part in this study as the respondent, due to your experience and unique information about the topic of the study. The information given will be handled with utmost confidentiality and will be used