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SOCIOLOGY | RESEARCH ARTICLE

Performance assessment of farmers multipurpose cooperative societies (FMCS) in marketing of members farm produce in Benue State, of Nigeria

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Abstract: The paper assessed the performance of farmer's multipurpose cooperative societies (FMCSs) in Benue State of Nigeria. Specifically the study evaluated the capacity of FMCS in delivery effective marketing services to its members and ascertains the marketing functions performed by FMCS towards effective marketing services to farmers (members) in Benue state. Data were obtained from 306 respondents who are management committees of 36 selected FMCS. Data obtained were analyzed with appropriate statistical tools. Thus, evidence from the result revealed that, the FMCS are capable of delivering various marketing services to their members. Findings also revealed that the FMCS performed various functions that facilitate marketing of their members' farm produce as most of these marketing functions are performed to a great extent, but advertising and awareness campaign as well as market survey and market research are not properly delivered as part of marketing functions. So in a bid to strengthen the potentials of FMCS towards effective marketing services delivery to members, the following recommendations are provided. The government should endeavor to partner with FMCS by providing them with expertise and supply them with productive resources; also the government should design a synergy between Nigeria Export Promotion Council and FMCS, so that farmers can export their produce to international market which will boost



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PUBLIC INTEREST STATEMENT

Nigeria economy is been driven by the oil sector while other viable non oil sectors like agriculture are not given much needed investment. In order to diversify the Nigeria economy in the face of dwindling global fall in oil price, agricultural sector must be developed. Therefore, one of the mechanisms capable of developing the agricultural sector in Nigeria is cooperative society. Specifically, farmers multipurpose cooperative society is an association of farmers that is saddled with multiple functions which include marketing service delivery to the farmers (members). Farmers multipurpose cooperative society has the collect bargaining power and collective action to procure productive resources for their members. Also the issue of value chain which is the core marketing function as becomes a selling point within the agricultural sector which every farmer must key into if they really want to have a viable agribusiness.

the contribution of agriculture to the GDP. Finally, the cooperative leaders should design and invest in research and market survey which will boost the competitiveness of cooperative in the competitive environment.

Subjects: Development Studies; Development Studies, Environment, Social Work, Urban Studies; Economics, Finance, Business & Industry

Keywords: performance; farmer multipurpose cooperatives; marketing; farm produce

1. Introduction

The real agricultural GDP growth in the second quarter of 2013 stood at 4.52%, up from the 4.21% recorded in the corresponding period of 2012 and also higher than the 4.14% recorded during the first quarter of 2013; this represents the highest growth rate in the sector in the last seven quarters (National Bureau of Statistics (NBS), 2014). Similarly, Benue state economy is been driven by agriculture, the state as one of the highest farming population (657,767 crop farmers as at 2010) in Nigeria. The State is also endowed with of one of the longest stretches of river (River Benue) in the country with great potential for a viable fishing industry, dry season farming through irrigation and for an inland water-way. There is a growing advocacy for achieving not only sustainable food security in Benue state, but expanding market for agricultural produce and a lot of efforts have been directed at finding appropriate institutions that will be used to organize millions of small scale farmers towards achieving such goal. Meanwhile, one of the major problems of agricultural development in Benue state; is how to develop appropriate organizations and platforms to mobilize and induce farmers in the agricultural sector to a greater productivity.

Farmers multipurpose cooperative societies offers platforms to improve agricultural production, as they play a key role in regulating the market: Processing of members farm produce; construction of warehouses, provision for grading and standardization of product, standardization of weight and measures, daily dissemination of information on market prices of agricultural commodities, facilitates transport services etc. These marketing functions are performing by FMCS to add values to members farm produce and possibly eliminate the exploitation of farmers by the middle men (Kishor, 2010). According to Taiwo, Udunze, and Agbasi (2015), cooperative is viewed as an organization for the promotion of economic interests of its members. Meanwhile cooperative society does not only restrict itself to economic wellbeing of its members but also giving them social inclusion. Farmers Multipurpose Cooperative Society is one of the types of cooperative that organized by farmers with the objective of providing more than one service to themselves. It promotes integration of economic activities such as mobilizing capital to provide credit and inputs for agricultural production to members. FMCS also assists members with storage, processing and marketing of farm produce. The range of services provided by the society is determined by the members and the society's capability (Adeleye, 2012).

The need for effective marketing and distribution of farm produce has never been pressing as it is presently. In Nigeria, based on the definition of marketing as "a societal process by which individuals and group obtain what they need and want through the process of creating, offering and freely exchanging products and services of value with others". It still remains difficult given the country's economic philosophy.

FMCS is therefore, set up to add value to their member's farm produce which then guarantee high market price for members produce as much as increase earnings on the member's farm output. The cooperative offer its members an improved bargaining power in respect to services such as storage; processing and transportation which is capable of affecting the cost of production and the market value of the members produce. The better the quality of value added to farm produce, the more farmers will be keen to sale their produce through their cooperative society. This is because it is possible to maintain services such as storage, transportation, extend credit, market processing, which a single farmer is unable to achieve outside FMCS (Bob-Igwe, 2006).

FMCS has created many outlets in the rural and semi urban areas of Benue state, creating value chain and enhancing productive capacity and competitive ability of the farmers. However, cooperative are facing new big challenges of severe competitions in keeping qualitative standards of farm produce. Benue State government has improved the system of agriculture to a significant extent. But, majority part of the benefits accrued from the government policies and programmes have been denied by large and buoyant farmers who have adequate marketable surplus.

Therefore it is essential to encourage small and marginal farmers to market their farm produce through cooperative society so as to enable them obtain bargaining power and market access which is part of marketing functions. The necessity for this study arose from the imbalance in bargaining power and market access between the contracting parties in the food supply chain which have drawn much of researchers' attention. This will be closely examined by assessing how FMCS perform in marketing of their members farm produce in Agricultural Zones and blocks of Benue State. As such, for FMCS in Benue State to improve on their performance, they must be guided by both simple economic and marketing functions/activities that are capable of facilitating efficiency and ultimately higher returns.

1.1. Research questions

- (1) Does FMCS profile influence their marketing functions?
- (2) What are the marketing activities render by FMCS to their members?
- (3) do marketing activities renders to the members have any effects on the performance of FMCS?
- (4) Are there any constraints that limit FMCS effective marketing of members (crop farmers) farm produce in Benue State?

1.2. Hypotheses of the study

The following hypotheses for the study are stated in null form:

H_{01} : The socioeconomic profile of the FMCS has no significant influence on their marketing function performed.

H_{02} : Marketing functions/activities have no significant effect on FMCS performance.

2. Methodology

Benue is a state in the mid-belt region of Nigeria with a population of about 4,253,641 in 2006 census. Benue is a rich agricultural region; some of the crops grown there are potatoes, cassava, soya bean, guinea corn, flax, yams, sesame, rice, and grand nuts. The study population consists of all the registered farmers' multipurpose cooperative societies which cut across three agricultural zones and 23 LGAs of Benue state.

The researchers adopted mixed sampling design which involved both probability and non-probability sampling procedures. Thus, 306 respondents were drawn from 80 FMCS that cut across two agricultural zones in the state. Data were analyzed with both descriptive and inferential statistics. Meanwhile, models used include regression and *t*-test.

2.1. Data analysis and presentation

2.1.1. Test of hypotheses (H_{01})

The following hypotheses for the study are stated in null form:

H_{01} : The socioeconomic profile of the FMCS has no significant influence on their marketing function performed.

Table 1. Regression analysis: y vs. $x_1, x_2, x_3, x_4, x_5, x_6, x_7, x_8$

The regression equation is $y = 0.434 + 1.34x_1 + 2.434x_2 + 0.254x_3 + 0.054x_4 + 0.0435x_5 + 0.213x_6 + 0.326x_7 + 0.442x_8$

Predictor	Coef	SE Coef	T	P	Remarks
Constant	0.434	0.0032	3.54	0.000	Significant
x_1	1.340	0.0053	2.65	0.000	Significant
x_2	2.434	0.0034	3.54	0.000	Significant
x_3	0.254	0.0034	3.54	0.033	Significant
x_4	0.054	0.0342	2.65	0.001	Significant
x_5	0.043	0.0031	4.32	0.032	Significant
x_6	0.213	0.0043	4.44	0.000	Significant
x_7	0.326	0.0421	3.65	0.023	Significant
x_8	0.442	0.0005	2.76	0.000	Significant
Analysis of variance					
Source	DF	SS	MS	F	P
Regression	7	43.0041	6.1434	503.5573	0.000
Residual error	373	4.5562	0.0122		
Total	380	47.5603			

Notes: $R^2 = 93.4\%$, $R^2(\text{adj}) = 89.3\%$.

H_{A1} : The socioeconomic profile of the FMCS has significant influence on their marketing function performed.

Using regression analysis (Table 1).

Selecting eight of the marketing functions with low standard deviation in Table 2, we have;

Table 2. Showing distribution of responses on the various marketing functions performed by FMCs to their members

S. No.	Marketing functions performed	$M(\bar{x})$	SD	Decision
1	Provision of storage facilities for members produce	3.814	0.99562	Great extent
2	Processing of members produce	3.225	0.95169	Great extent
3	Packaging and sorting of member produce	3.146	1.06042	Great extent
4	Labeling and branding of members produce	3.081	0.99179	Great extent
5	Transportation services to evacuate and distribute produce	3.514	0.96201	Great extent
6	Provision of credit facilities for members agribusiness	4.461	0.89190	Great extent
7	Advertising and awareness campaign	2.687	0.97015	Not at all
8	Supply of farm inputs	3.824	0.80858	Great extent
9	Subsidy for members produce and patronage refund	3.204	1.06399	Great extent
10	Hiring of farm machineries at affordable cost	3.169	1.01038	Great extent
11	Extension services delivery	3.352	0.88042	Great extent
12	Collective market access for members produce	3.583	0.87686	Great extent
13	Provision of market survey and research	2.596	0.95103	Not at all
14	Enforcement of quality control system	3.233	1.0267	Great extent
15	Provision of market control mechanism (e.g. price)	3.584	1.10605	Great extent
	Grand mean (\bar{x})		3.365	Great extent

Source: Field survey June, 2014.

Table 3. Distribution of responses on the performance of FMCs in marketing activities rendered to members

S. No.	Performance indicators	M (\bar{x})	SD	Decision
1	With storage facilities the FMCs are able to control excess supply of farm produce and control produce market value	3.614	1.1060	Effective
2	Processing of produce into consumable products	3.308	0.87800	Effective
3	Enhanced value addition through packaging and sorting of members produce which also leads to employment generation	3.571	1.07759	Effective
4	Through the labeling of their products, the FMCs are able to create brand name for their marketable produce	3.046	0.88628	Effective
5	Good transportation services that facilitates timely evaluation and distribution of farm produce at reduced cost	3.484	1.04979	Effective
6	Increase in farm income and agribusiness growth as a result of credit facilities provided to the members	4.087	1.04343	Effective
7	Increase in sales turnover and income through quick and timely sales of farm produce through advert and awareness	3.211	0.94221	Effective
8	Increases members farm output and productivity as a result of steady supply of farm input (e.g. fertilizer)	3.774	0.98202	Effective
9	Enhance members savings through patronage refund payment and subsidy payment on farm produce	3.633	1.01799	Effective
10	Easy accessibility to farm machineries that are not affordable to farmers through hiring services	3.825	1.08537	Effective
11	Facilitates the adoption and diffusion of farm innovations through extension services delivery	3.566	0.99857	Effective
12	Achieving bargaining power through collective market access for members farm produce	3.892	1.8152	Effective
13	Dissemination of reliable marketing information through cooperative society	3.163	0.86476	Effective
14	Streamlining of measurement and quality control mechanisms on produce grading, sorting, packaging etc.	3.333	1.00154	Effective
15	Regulation of market activities and competition by fixing of charges; prices, control of unethical practices and setting of disputes among members	3.486	0.92220	Effective
	Grand mean (\bar{x})		3.533	Effective

Source: Field survey June, 2014.

The *p*-value of the model is less than 0.05 which implies the model is significant at 5% level of significant. The socio-economic factors considered all have significant positive impact on the marketing function performed.

2.1.1.1. Marketing functions performed by FMCs. The result of Table 2 was deduced from five point scale analysis with weighted mean of 3.0, where any marketing functions that scored below 3.0 implied that, marketing functions are not been performed while any marketing function that scored above or equal 3.0 indicated that marketing functions were being performed to a great extent. As such the grand mean (3.365) indicated that the majority of the respondents agreed that most of the marketing functions are being practice by their FMCs except for advertising and awareness campaign (2.687) and market survey and market research (2.596%).

Table 4. T-test result analysis

Paired samples statistics									
		M	N	SD	SE M				
Pair 1	Actual	3.5329	15	0.28924	0.07468				
	Standard	3.0133	15	0.06935	0.01791				
Paired samples test									
		Paired differences				t	df	Sig. (2-tailed)	
		M	SD	SE M	95% Confidence interval of the difference				
						Lower	Upper		
Pair 1	Actual-standard	0.51953	0.29618	0.07647	0.35552	0.68355	6.794	14	0.000

Note: @5% level of significance.

2.1.1.2. *Effects of marketing functions on FMCs performance.* The Table 3 shows results from five point likert scale with conventional mean of 3.0. That is, any FMCs marketing activities that scored less than 3.0 are considered to be ineffective while, those marketing functions that scored 3.0 and above indicates that the FMCs are effectively performed. Therefore, the respondents agreed that marketing functions of the FMCs has significant effect on their performance; some of the effect include processing of produce to consumable products (3.308); enhanced value addition (3.57); increase in farm income (4.087); improves farm output and productivity (3.77); easy accessibility to farm implements (3.825); enhance members savings (3.63); bargaining power (3.89); as well as dissemination of reliable marketing information (3.163). Also, the grand mean ($\bar{x} = 3.533$) affirmed that FMCs have performed effectively in marketing of their members' farm produce.

2.1.2. *Test of hypothesis two (H_{02})*

H_{02} : Marketing functions/activities have no significant relationship with the performance of FMCS.

H_{A2} : Marketing functions/activities have significant relationship with the performance of FMCS.

In order to reject or affirm result of Tables 2 and 3 were subjected paired t-test and result was presented as follows;

The *p*-value of the test is 0.000 which is less than 0.05. There exists enough evidence to reject the null hypothesis and conclude that there is significant difference between the weighted mean and the critical region of 3.0. Therefore; null hypothesis was rejected while the alternate was accepted that is, marketing functions/activities of the FMCs has significant relationship with their cooperative performance (Table 4).

2.1.2.1. *Constraints to effective marketing functions.* The Table 5 showed the constraints that limit FMCs in marketing of their members produce and the responses of the respondents were analysed on five point likert scale with threshold of 3.0. That is, any variable that is less than 3.0 was considered to be weak which implied that the respondents disagree that such variable is a challenge while any variable greater or equal 3.0 was considered to strong in which the respondents agreed that such variable is a challenge to the effective marketing of members farm produce. Meanwhile, the grand mean result ($\bar{x} = 3.775$) indicated that most of the variables are considered to be a challenge to FMCs efforts of marketing members produce. Some of the challenge include; seasonal nature of farm produce (4.582); lack of trust and confidence among cooperative members and officials (3.248); small amount of credit approved and disbursed to cooperative members (4.362); poor structure of

Table 5. Showing distribution of responses on the challenges that limits FMCs in marketing of their members produce effectively

S. No.	Challenges indicators	M(\bar{x})	SD	Decision
1	Seasonal nature of farm produce	4.582	0.87800	Agree
2	Lack of trust and confidence among cooperative members and officials	3.248	0.88628	Agree
3	Poor marketing management among cooperative officials	2.382	1.07759	Disagree
4	Poor road network to distribute and evacuate farm produce	3.641	1.04979	Agree
5	Small amount of credit approved and disbursed to members	4.362	0.94221	Agree
6	Poor structure of available market for farm produce	3.943	0.7812	Agree
7	Lack of commitment among members to sell their produce their cooperatives (poor/low patronage)	4.305	0.6624	Agree
8	Poor market information system and research	3.775	0.8108	Agree
9	Incompetency among extension service providers	3.087	1.3126	Agree
10	Unfavourable government policies and poor support programmes from financial institutions and agencies	4.128	1.0662	Agree
11	Inadequate processing and storage facilities	3.442	0.8334	Agree
12	Artificial and natural disaster (e.g. flood; drought; cattle; rodent and pest attack) effect on farm production	4.381	1.2468	Agree
	Grand mean (\bar{x})		3.773	Agree

Source: Field survey June, 2014.

available market for farm produce (3.943); lack of commitment among members to sell their produce through cooperatives (4.305); unfavorable government policies (4.128); as well as low output due to natural disaster and cattle encroachment and pest attack (4.381).

3. Conclusion

The need for marketing of farm produce arose as Nigeria is trying to move from mono-economy to diversify the economy with agricultural and non oil sector economy that will be built around specialization, industrialization, and agriculture. As such cooperative societies, especially farmer multipurpose cooperative societies have proven to be a force to reckon with when it comes to marketing of members farm produce. They (FMCs) help the members to attain wellbeing satisfaction with their bargaining power in which they cannot achieve if they market their produce individually.

In order to strengthen the potentials of FMCs toward effective marketing of their members produce, the following recommendations are considered necessary:

- Since the FMCs have the capacity to market farm produce the government should partner with them by given them needed expertise and supply them with productive resources that will enhance their market functions. This will not only benefit the farmers alone but it will also strengthen food security programme for the state and the nation at large.
- Also the government should promote exportation of farm produce by facilitating strong collaboration between the Nigerian Export Promotion Council (NEPC) and FMCs. This will not only

generate more income for the farmers but it will also boost and strengthen the Gross Domestic Product (GDP) of Nigeria as well as providing more direct and indirect employment opportunities.

- The cooperative leaders and board members should design and invest in awareness campaign programmes and advertisement strategies that enable the cooperative compete favorably. This will enhance the sales of farm products to wide coverage of target market which will in turn improves the scales turnover and income.
- Also, the cooperative should endeavor to invest on market survey and market research which are very important aspect of marketing. This will enable to disseminate relevant, reliable and significant information to their members. Also, this will enable the cooperative know what is obtainable in the market and understand the demand of the target market; also enable the cooperative to follow and adjust to market trend. More so, investing in research will enhance the competitiveness of the cooperative societies in the competitive environment.
- Since the marketing activities of FMCs have significant effects. The cooperative members should be encourage to sale their produce through cooperative society. This will strengthen their bargaining power and also add value to their produce. Also the cooperative should endeavor increase the amount of credit approved and disbursed to their members. By so doing it will increase their output which will result to high income.

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