

## Effect of Cooperative Society on the Marketing Performance of Rice Producers in Benue State, Nigeria

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### Abstract

*The study examined the effect of cooperative society on the marketing performance of rice producers in Benue State, Nigeria. Data were collected from 746 rice farmers consisting of 375 member rice farmers and 371 non-member rice farmers selected from 137 randomly selected cooperative societies using multistage sampling technique. The results show that 67.5% of rice farmers who are member of cooperative achieved marketing efficiency value of 13.01 and above while 56.6% of rice farmers who are non-member of cooperative achieved marketing efficiency of the same value. The results also reveal that member rice farmers had mean marketing efficiency of 14.14 while non-member rice farmers had a mean marketing efficiency of 12.98 which was significantly different at 1% level. Furthermore, evidence from the results reveal that cooperative society improved the marketing efficiency of the rice farmers by 8.94%. The study recommended that cooperatives societies in the study area should raise awareness among rice farmers of the short and long-term benefits of being a cooperative member through social media, village and church meetings, sports and games, seminars, school clubs, and conferences; and that there should be a deliberate effort by these cooperatives to provide financial and material support to rice farmers who are their members to serve as catalyst to attract non-member rice farmers and retain the existing member farmers in the area.*

**Key Words:** Cooperative Society, Marketing Performance, Rice Producers, Benue State, Nigeria

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### INTRODUCTION

Agriculture is the backbone of Nigeria's economy, contributing significantly to employment, food security, and rural development (Ogbalubi, 2013; Sertoglu *et al.*, 2017). Benue State, often referred to as the "Food Basket of the Nation," is one of Nigeria's most prominent agricultural regions, with rice being a major staple crop (Ahungwa *et al.*, 2013; Saror *et al.*, 2021). Despite its importance, the rice sector in Benue State faces numerous challenges that impede the marketing performance of producers. According to Asogwa *et al.* (2014), Dauna *et al.* (2018), and Egbeadumah (2021), these challenges include inadequate infrastructure, limited access to credit, poor market information systems, and the dominance of middlemen who often exploit small-scale farmers.

Cooperative societies have emerged as a potential solution to these challenges. Cooperatives are member-owned organizations that aim to enhance the economic and social well-being of their members through collective action (Birchall and Simmons, 2009). In the agricultural sector, cooperatives can play a crucial role by providing members with better access to inputs, credit, training, and markets (Wanyama *et al.*, 2008). They can also improve bargaining power, enabling farmers to negotiate better prices for their produce and reduce transaction costs (Bijman *et al.*, 2012).

Empirical studies have highlighted the positive impact of cooperative societies on agricultural marketing performance. For instance, in Ethiopia, cooperatives have been found to significantly improve the commercialization and market participation of smallholder farmers (Bernard *et al.*, 2008). Similarly, in Kenya, cooperative membership has been associated with higher income and productivity among dairy farmers (Onyango *et al.*, 2023). These findings suggest that cooperatives can be instrumental in addressing the marketing challenges faced by rice producers in Benue State.

However, the specific impact of cooperative societies on the marketing performance of rice producers in Benue State remains underexplored. This gap in knowledge is critical, considering the unique socio-economic and cultural context of the region. Thus, this study aimed to investigate the effect of cooperative society membership on the marketing performance of rice producers in Benue State, Nigeria. Specifically, the study sought to compare the marketing efficiency and marketing income of rice producers who are members and non-members of cooperative society. The findings of this study are expected to contribute to the development of more effective agricultural policies and programs that promote cooperative societies as a means of improving agricultural marketing performance.

## METHODOLOGY

### The Study Area

The study was conducted in Benue State, Nigeria. The State is located in the North Central region of Nigeria situated between latitudes 6°25'N and 8°8'N and longitudes 7°47'E and 10°E' (Susan and Nirupama, 2015). It has a total land-area of about 33, 955 square kilometers with a population of 4,253,641 (National Population Commission (NPC), 2006), with an average population density of 99 persons per square kilometer. This population was projected at 5,741,815 in 2016 (National Bureau of Statistics, 2017).

The State has low population density areas such as Guma, Gwer\_East, Ohimini, Katsina-Ala, Apa, Logo and Agatu, each with less than seventy persons per km<sup>2</sup>, while Vandeikya, Okpokwu, Ogbadibo, Obi and Gboko have densities ranging from 140 persons to 200 persons per km<sup>2</sup>. Makurdi LGA has over 380 persons per km<sup>2</sup> (Nigeria Civil Society Situation Room, 2015). Males made up 49.8 percent of the total population while females constitute 50.2 per cent (City Population, 2020). The State is a rich agricultural region and grows crops such as; sweet potatoes,

cassava, soya bean, guinea corn, yams, sesame, rice, and groundnuts, palm tree. Also, the rearing of livestock abounds in the State.

### Population of the Study

The population of the study consisted of 209 registered agricultural cooperatives and 8216 farmers who are member of these cooperatives (Ministry of Industry and Cooperatives, Benue State), and farmers who are non-member of these cooperatives in the study area.

### Sampling Technique and Data Collection

Multi-stage sampling technique was employed to select a sample of 746 rice farmers consisting of 375 rice farmers who are registered member of cooperative society and 371 rice farmers who are non-members of cooperative society. The data for the study were collected using structured questionnaire.

### Analytical Techniques

The data collected were subjected to descriptive and inferential statistics. Independent sample t-test was used to compare the marketing efficiency of members and non-members of cooperative society.

## RESULTS AND DISCUSSION

### Marketing Efficiency of Members and Non-Members of Cooperatives

The distribution of members and non-members of cooperatives according to their marketing efficiency in the study area are presented in Table 1.

Analysis of Table 1 shows that majority (67.5% and 56.6%) of members and non-members of cooperative respectively had marketing efficiency greater than 13.00. On average, members of cooperative recorded marketing efficiency of 14.14 while the non-members recorded marketing efficiency of 12.98. The implication is that on average, members of cooperative did better than non-member of cooperative in terms of marketing efficiency.

**Table1: Distribution of members and non-members of cooperatives by marketing efficiency**

Efficiency category	Members (n =375) (Mean efficiency = 14.14)		Non-members (n =371) (Mean efficiency = 12.98)	
	Frequency	Percentage	Frequency	Percentage
≤1.00	9	2.4	16	4.3
7.01-13.00	113	30.1	145	39.1
≥13.01	253	67.5	210	56.6

**Source:** Field survey data, 2022

## Independent T-test Analysis of Marketing Efficiency of Members and Non-Members of Cooperatives

The independent t-test analysis to compare the marketing efficiency of members and non-members of cooperatives is presented in Table 2.

The result shows that the mean difference of the marketing efficiency of members and non-members of cooperative was 1.16 and positive. The t-test reveals that there was a significance difference in the marketing efficiency of members and non-members of cooperative in the study area ( $t = 4.521$ ,  $p < 0.01$ ). This implies that the members of cooperative performed better in terms of marketing efficiency compared to the non-members of cooperative.

The marketing efficiency of cooperators are expected to be higher than that of non-cooperative members owing to benefits members received like encourage capital accumulation and savings, the profits of cooperative are redistributed to members based on patronage, collective bargaining for better market price and supply information on marketing opportunities, provide opportunity for empowerment and diversification, reduction of poverty, control market entrance/competition, get information on consumers preference, members enjoy economies of scale, help reduce assembly cost, provision of transport facility at low cost, access to input at subsidized rate, aid in effective calculation of operating costs, improved education level, provision of storage facilities, and access to fertile land.

This result is in agreement with Nlebem and Raji (2019) who reported that agricultural cooperative society influences efficient sales and marketing of agricultural produce in that it enhances development of favourable sales and marketing policy, ease access to goods exportation, participation of market price policy, encourages packaging of agricultural product, and enhance group processing among others.

**Table 2: T-test analysis of marketing efficiency of members and non-members of cooperatives**

Membership of cooperative	Mean efficiency	Mean difference	t-test	p-value
Members of cooperative	14.14	1.16	4.521	0.000***
Non-members of cooperative	12.98			

**Source:** Field survey data, 2022 \*\*\* = significant at 1% level

## CONCLUSIONS

On average, rice farmers who are members of cooperative society achieved higher marketing performance compared to rice farmers who are non-members of cooperative society. Also, evidence from the study also shows that cooperative society improves marketing efficiency of rice farmers by 8.94%.

Based on the findings of the study, the following were recommended:

- Cooperatives in the area should raise awareness among rice farmers of the short and long-term benefits of being a cooperative member. This can be achieved through social media, village and church meetings, sports and games, seminars, school clubs, and conferences.
- There should be a deliberate effort by these cooperatives to provide financial and material support to rice farmers who are their members. This can be achieved through setting more funds to help farmers get access to agricultural credits, and enabling the farmers to get access to various subsidized inputs like pesticides, processing and storage facilities and other farm equipment to motivate them. This will also serve as a catalyst to attract non-member rice farmers and retain the existing member farmers in the area.

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