



**Exploring the Determinants of joining Dairy Farmers
Cooperatives in Rwanda:
A Perspective of Matimba and Isangano Cooperatives**

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Disclaimer:

This document represents part of the author's study programme while at the Institute of Social Studies. The views stated therein are those of the author and not necessarily those of the Institute.

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Dedication

I dedicate this work to my Daddy Mr Gasana Gaspard, and sister Fiona who both left this world I miss you and I hope I meet you one day. I also dedicate it to my mother, aunts and uncles and siblings. Thank you for supporting me.

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List of Acronyms

BDS	Business Development Services
BRD	Rwanda Development Bank
CAHPs	Community Animal Health Practitioners
EADD	East Africa Dairy Development Project
ICA	International Cooperative Alliance
ILO	International Labour Organisation
GoR	Government of Rwanda
MCC	Milk Collection Centres
NGOs	Non- Government Organisations
OCDC	Overseas Cooperative Development Council
RARDA	Rwanda Animal Resources Health Authority
RCA	Rwanda Cooperative Agency
ToTs	Trainers of Trainers
UNDP	United Nations Development Program
UN	United Nations
USDA	United States Department for Agriculture
WB	World Bank

Abstract

This study investigates why some dairy farmers join cooperatives while others are reluctant to join or drop out, in spite of the perception that cooperatives help in eradicating poverty. Also, the study investigated the benefits and challenges of being in the cooperatives. According to United Nations (2009) cooperatives “play a meaningful role in uplifting the socio-economic conditions of their members and local communities”. Despite the much touted benefits associated with the cooperatives some dairy farmers are still reluctant to join. This raises a lot of questions, for example (i) why do some farmers join?, (ii) why do other farmers refuse to join ? and (iii) are cooperatives really useful to their members?. Thus this study helps to reveal some of the reasons for and against joining the cooperatives and presents the benefits and the challenges of participating in the cooperatives.

The study used the survey methods to extract primary data from the respondents who included dairy farmers both within and outside the cooperatives and key government agents. It also reviewed literature about cooperatives from journals and articles from major organisations. Matimba and Isangano dairy cooperatives were used as case studies.

According to the findings, farmers join cooperatives because of various reasons. Among the prominent reasons are; the need to access markets and agro-vet services and access training opportunities and the need to work with others. The study established that some farmers have not yet joined because; they could not afford membership fees and because of the poor performance of the cooperatives and lack of awareness out the cooperatives.

Other key findings present benefits of the dairy cooperatives and the challenges they face. For example members are able to access markets and agro-vet services and they access training opportunities. Major challenges include; irregular market, low milk prices and severe weather conditions, and lack of water shortage and lack of access to feeds, and low participation of members in some cooperative activities.

Relevance to Development Studies

According to the United Nations (2009) cooperatives “present an important model” of addressing many of development challenges that “many of the world’s poorest and disadvantaged face”. This study essentially study highlights cooperative benefits to their members and the challenges they face. The issues discussed in this paper coupled with what other authors have written help to explain how cooperatives can significantly contribute to development. Clearly cooperative institutions, if well developed have the potential to address many of the development challenges experienced by many rural dwellers in many parts of the world, hence its relevance to development studies.

Keywords

Cooperatives, Dairy farmers, efficiency, Rwanda

Chapter One: Background to the Study

1.0 Introduction

This study was focused on finding out the factors which motivate some dairy farmers to join cooperatives while others refuse or drop out. It also investigated the benefits of being in the cooperatives and challenges faced. This chapter gives back ground to the study and highlights the problem statement, objectives of the study and the major research question and methods used.

1.1 Background to the study

According to US Overseas Cooperative Development Council (2007) there is a resurgence of cooperatives in developing countries due to (i) the abandonment of planned economies in favour of economic liberalization (ii) globalization of production (iii) the emergence of the Fair Trade movement as niche markets for the poor (iv) a rising call to benefit from the processes of globalisation and democratization and social inclusion (v) the failure of the socialist co-op model and the demise of marketing boards that provided the basic support for smallholder for production market (vi) government decentralization and privatization which created opportunities for non-state sectors and group businesses to serve public and private interests (vii) communities organize to meet their own needs through cooperatives.

Zeuli Kimberly (2002) also observes that ‘policy makers and community developers are keen to develop cooperatives as business alternative which could address local needs and promote local economic growth’. Zeuli Kimberly further explains that cooperatives ‘have the potential to foster economic growth at the community and regional level’.

Indeed cooperatives have been considered to be one of the good channels of developing rural people in order to overcome poverty, improve living standards and foster development (Birchall 2004; Braven 1991); Wanyama et al. 2009:1). According to the United Nations (2009) cooperative continue ‘to play significant social economic roles in many countries’. For example they ‘create employment and provide income, they produce and supply safe and quality food and services to their members, they promote solidarity and tolerance and promote the rights of each individuals’ (ibid).

In Rwanda, the cooperative movement regained its momentum after the 1994 genocide. When the new government came into power in July 1994, they adopted various socio-economic programs aimed at reviving the economy. A case in point is the promotion of cooperatives. Cooperatives “are good mechanisms for pooling the peoples’ meagre resources with a view of to providing to them advantages of economies of scale” Rwanda Cooperative Policy (2006:1).

According to the Rwanda Cooperative Policy (2006:7) the government of Rwanda is convinced that “cooperatives can contribute to the achievement of vision 2020 if the role of cooperatives is line with the objectives of National poverty reduction program which emphasis the rural economic transformation,

human resource development and promotion of the private sector and poverty reduction”

Furthermore, the government believes that “to reduce poverty requires people’s participation, hence cooperatives are considered as a good tool for people’s participation in the sense that ownership of the cooperative is exclusively of the members for the members and by the members and also potential members”(ibid). Cooperative promotion in Rwanda “represents the launch pad for an important phase for the cooperatives to begin to operate freely and also provides an enabling environment in which strong and autonomous cooperative movement will evolve.” (Rwanda Cooperative Policy (2006:9)

Generally the government has been committed to the development of the cooperative sector as indicated in the cooperative policy, which says that “formulating the policy expressed government commitment towards the promotion of the cooperative sector as a vital part of the economy and civil society”(ibid). In 2008, the government of Rwanda established a Cooperative Agency (RCA) and mandated it to coordinate and regulate cooperative activities in the country (Ministry of Justice of Rwanda 2008).

Besides government support, the country’s development partners also embarked on supporting the revival of cooperative movement in the country. Mukarugwiza (2010:11) reports that after the 1994 genocide, “Non-Government Organisations (NGOs “came into the country to support the country’s recovery”. The contribution of the NGOs in the cooperative sector has indeed led to a wide spread development of cooperatives in all sectors.

1.2 Why Cooperative Development in Rwanda.

In view of the US Overseas Cooperative Development Council (2009:14) “three important factors lie behind the increasing need for cooperatives (i) market failure,(ii) government performance, and (iii) the desire for equity, inclusiveness and democratization”. In Sub-Saharan Africa, agriculture is the most ‘important sector in their economies’ (Braven1991). Hence agriculture plays a key role in many countries and needs to be supported to in order to increase food production and market access.

The CIA (2011) in its 2011 country report indicates that Rwanda’s economy like other Sub Saharan African countries is based on agriculture with 90% population employed in the sector and a GDP of 33.6%. What the CIA figures tell us is that agricultural production is a predominately the main economic activity. Hence the need to promote cooperatives, because agriculture is; (i) the main occupation for many people and is a source of food and (ii) the fact that many people live in the rural areas and agriculture is the main source of income and (iii) the need for market for the agricultural produce also explains the need for cooperative development.

1.3 Statement of the Problem

Despite government and NGOs support for cooperative promotion, some farmers are still reluctant to join the cooperatives. This is especially true for the Dairy cooperatives which happen to be the focus of this study. Dairy cooperatives are member based organisation for dairy farmers in rural communities of

Rwanda. The core business of the dairy cooperatives is bulking and selling member milk. Most of the members practice dairy farming as their main business but are not limited to undertake other activities which complement their incomes.

The farmers who join the cooperatives claim to benefit but it's not clear if this cuts across all members. In addition it is not clear why some farmers don't join the dairy cooperatives yet it's assumed that cooperatives are beneficial to members. And, whereas dairy cooperatives have been reported to be good tools for promoting community development, they have also been reported to be inefficient, ineffective and implicated in corruption scandals. Partly I witnessed this inefficiency while working with East Africa Dairy Development project which supports dairy farmers in Rwanda. It is not clear if this inefficiency or mismanagement of cooperative resources could be one of the reasons for not joining the cooperatives. This study investigates why some farmers join cooperatives while others remain reluctant; it also identifies the social economic benefits of being in the cooperatives and the challenges faced by members of the cooperatives.

1.4 Research Objective

The main objective of this research is to investigate the factors that determine or motivate farmers to join or not to the cooperatives and assess the socio-economic benefits and challenges of dairy cooperatives in Rwanda. It also aims to provide policy makers with a proposal for more support strategies which would enhance performance of cooperatives and increase benefits to members.

1.5 Research Questions

1.5.1 Broad Question

The main research question for this study is; why do some farmers join dairy cooperatives while others decline to join or drop out?

1.5.2 Sub Questions

1. How do members participate in the cooperative activities?
2. What are the benefits of being in the dairy a cooperative?
3. What challenges do cooperatives or members face?
4. What type of support do cooperatives receive and from who?
5. What is the performance of the dairy cooperatives?
6. What type of incentives do cooperatives give aspiring members?
7. What are the requirements for joining the cooperatives?
8. How do cooperative recruit new members?

1.6 Research Methodology

This is a descriptive study aimed at pointing out the factors that determine or motivate or discourages farmers to join or not to join cooperatives. The study employed both qualitative and quantitative methods to investigate the question.

1.6.1 Data Sources

The Study used both primary and secondary data. Primary data was collected from members and non-members and cooperative leaders. Primary data was also collected from government agents such as (Rwanda Cooperative Agency, District and Sector officials). Apart from the primary data, the study made use of the secondary data which was collected by reviewing literature about cooperatives mostly from journals, articles and other studies or reports carried out by Cooperative or Development Agencies.

1.6.2 Data Collection Techniques

Two types of data collection techniques were employed, using three different sets of questionnaires. Firstly the study used the survey method: with survey method, the researcher developed a set of questions guided by the research objectives and questions. The first set of questionnaire targeted the dairy farmers both in and outside the cooperative. A pre-test survey was carried out and later administered on the targeted dairy farmers both within and outside the cooperatives. The questionnaire captured farmers' demographic and social characteristic as well as reasons for joining or not joining cooperatives, motivations, requirements, and benefits the gain by joining or not joining.

Secondly, interviewing of officials and leaders of various cooperatives was employed to capture some institutional information. This employed the set of the questionnaire (semi-structured) was developed for the cooperative and union leaders as well as leaders of the Nyagatare dairy farmers union, the umbrella body supervising activities of local cooperatives. The focus here was to understand issues related to service offered to members of cooperatives, the challenges, conditions for becoming a member of a cooperative, opportunities for joining, and information about supports from development partners. The third set of questionnaire (semi-structured) targeted government officials both at the Rwanda Cooperative Agency, District and sector offices who work with directly with the cooperatives. Mainly, issues concerning support to farmers were gathered from officials.

1.6.3 Characteristics of Respondents

The study captured both men and women farmers. Of the total of 23 farmers in my sample, 65.2% are men and the rest (34.8%) are women. Generally education is low among the farmers, with about 83% of them having education not above the primary school level. The analysis of the data also indicates that 82.0% of sampled farmers are married and 13.0% are widowed. The number of household members ranges 6 to 16 people per household with a mean number per household calculated at 11. In total, 56.5% of interviewed farmers are registered members of cooperative, while the remaining 43.5% are not yet members of any cooperative.

1.6.4 Justification of This Study

Rwanda as a developmental state is fast recovering from the events of the 1994 genocide. The government and her Development partners have taken on many

development programs and projects to help improve conditions of millions of Rwandans. For example, less than ten years ago, government started promoting cooperatives with a belief that cooperatives can help to fight poverty and foster social harmony among the communities but there is little coverage about such efforts and how they help local population. Therefore this study highlights cooperatives benefit members and the challenges they face.

Furthermore, the study tried to provide recommendations to policy makers which if adopted can go a long way to improve cooperative performance and minimise on challenges as well as attract new members. In addition, upon completion, this study will benefit other researchers who would wish to do more research on dairy cooperatives.

1.6.5 Limitations of the Study

A lack of literature on dairy cooperatives in Rwanda proved cumbersome, as this is an area that is yet to be explored in terms of research. This is evident by the absence of literature on dairy cooperatives. In libraries where most of the research was carried out, it was difficult to get the relevant information on dairy cooperatives; therefore this constituted a problem reviewing literature about the performance of dairy cooperatives in Rwanda.

Time constraints also proved to be an issue to this study. Considering that it involved travelling to the study destination and meeting the respondents was difficult as sometimes it took days to secure appropriate time for interviews. Coupled with this, the distance to the community was also another obstacle. The fieldwork was conducted in the country side of Rwanda, which involved travelling long distances a lot of times transport was difficult and unreliable due to delays, and all these had cost implications. A way around this, I had to call to reschedule appointments.

Another limitation was language barrier. The questionnaire was prepared in English as most local people don't speak or read English, so the researcher had to translate the research questions and record the feedback from the respondents in English yet the researcher herself is not well conversant in the local language.

Other challenges included; (i) weather (at the time of this study, the field area was experiencing its annual dry season which had started in May and was likely to end in November), during this period farmers tend to be busy in search of water and pasture, so it proved difficult to meet them, (ii) identifying non cooperative members was also cumbersome, (however with the help of some local government officials, I was able to meet them), (iii) it was also difficult to meet with some government officials (for example it was difficult to meet with officials from the Centre for Cooperative Research).

1.7 The Structure of the Paper

This paper is organised in seven chapters. Chapter one introduces the background to the study and explains the statement of the problem and highlights the objectives, main research questions and the research methods. Chapter two presents the conceptual framework, it includes; the definition of cooperatives, types and role of cooperatives in society and the factors for cooperative suc-

cess and the major outcomes. Chapter three describes the location of the case study and describes the two cooperatives. Chapter four discusses the organisation of the cooperatives, composition of management and the processes of member recruitments and the requirements for joining cooperatives. Chapter five discusses performance of the two case studies and articulates the reasons which motivate farmers to join or not to join cooperatives; it also explains the benefits and challenges of being in the cooperative. Chapter six discusses the support availed to cooperatives by different actors and lastly chapter seven presents the summary of the major findings, conclusion and recommendations.

Chapter Two: Conceptual Framework

2.0 Introduction

This chapter defines and explains some of the concepts that have been used by the study. It also explains cooperative values and principles, as well as the literature about the benefits and challenges related to being in the cooperative.

2.1 Definition of Cooperative

The International Cooperative Alliance (2005) defines “cooperatives as autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs through jointly owned and democratically controlled enterprise”. Knapp (1957) also defined cooperatives as “organisations set up by a group of persons or firms to perform services for members with an objective of securing better services, in terms of quality and cost”. Birchall J. (2004) writes that cooperatives are “essentially self-help groups of people who get together to meet member needs”. Both definitions stress the fact that cooperatives are established to address member needs.

2.2 Cooperative Values and Principles

According to the United Nations (2009) cooperatives subscribe to the following principles; voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives and concern for community. The Rwanda Cooperative Law (2007) also stresses the fact that cooperatives should aim to promote the interest of members in accordance with principles of mutual responsibility and self help, democracy, equity and equal rights to its assets and practice honesty, openness and common interests of members.

According to United States Department of Agriculture (2005:25) cooperatives pursue different sets of objectives depending on the need of the owners. USDA writes that ‘regardless of the type, size, geographical location, or purpose, cooperatives provide many multi objectives. Some of the objectives include ; (i)improving bargaining power when dealing with other businesses,(ii) reducing costs for the needed supplies, (iii)obtain products or services, (iv) provide market access or broaden market opportunities (v) improve product or service quality and lastly (vi) improve facilities and increase income distribution of the cooperative earnings’(ibid).

2.3 Types of Cooperatives and Their Characteristics

Zeuli, K. (2004:27) points out that “cooperative diversity defies clarification”. He explains that they exist in all sectors of the economy and “serve multiple functions”(ibid). According to Zeuli, K. (2004:27) cooperatives are classified into “ three major categories which include ; firstly, the primary business activity(it has the production , marketing, purchasing , consumer or

service), the second category is classification according to the market area (these are based on size of their market, local or regional, national or international) and the third cooperative category is classified as ownership structure (which includes six types namely; the centralised, federated, hybrid, new generation, the new Wyoming cooperatives and the worker-owned cooperatives).

2.4 Role of Cooperatives in Society

According to Gertler cooperative societies are “practical vehicles for cooperation and collective action as well as build and reinforce community, which are crucial to sustainable development, they help to stabilize regional economies and provide a favourable climate for further investment, reduce inequality and promote equitable sharing of the costs and benefits of sustainable development, promote economic democracy and the empowerment of marginalized groups” cited in (Nugussie, W.Z. 2010:139). Uma (1981) wrote that that ‘traditionally cooperatives were expected to serve a broad set of socio-political and economic objectives ranging from self-help and grassroots participation to welfare and distribution’. Thus cooperatives for a long time have been “recognised to play an important role in the society that translate into the improvement of living conditions of their member” (Ofeil 2005) cited in (Wanyama et al. 2009).

The US Overseas Cooperative Development Council (2007:22) points out that cooperatives “integrate economic *and* social objectives which foster collective local action and, in turn, builds and reinforces communities’ and helps to reduce inequalities and empower marginalised groups through the development of local knowledge and management skills’. According to the National Cooperative Business Association (2005) cooperatives are set up in order ‘to help members strengthen their bargaining power, maintain access to markets, capitalize on new market opportunities, obtain needed products and services and improves income opportunities, as well as reduce costs and manage risks’ cited in (Ortmann 2007:42-43).

In addition, ILO observes that cooperatives ‘create sustainable employment, contribute to decent work promotion, improve working conditions for women and men, provide essential infrastructure and services in areas neglected by the state and investor driven enterprises’ as cited in (Wanyama et al. 2009). Koopmans (2006) also joins others to agree that cooperatives are useful to small farmers because they help to mobilise assets, knowledge and skills and become easily accessible to traders and buyers as cited in (Modderman 2010). While Wanyama et al. 2008:3) report that some International Agencies for example the United Nations, ILO, ICA and the European Union view ‘cooperatives as organisations which help to meet all dimension of poverty and have advantages of identifying economic opportunities for the poor, empower the disadvantaged and provide security’.

2.5. Factors for Cooperative Success

In order to maximise the potential of cooperatives, there are ‘internal and structural factors that need to be exploited’ (Governance and Social Development Resource Centre 2011). These factors include; ‘an enabling legal environment, access to credits, capable management and governance, autonomy

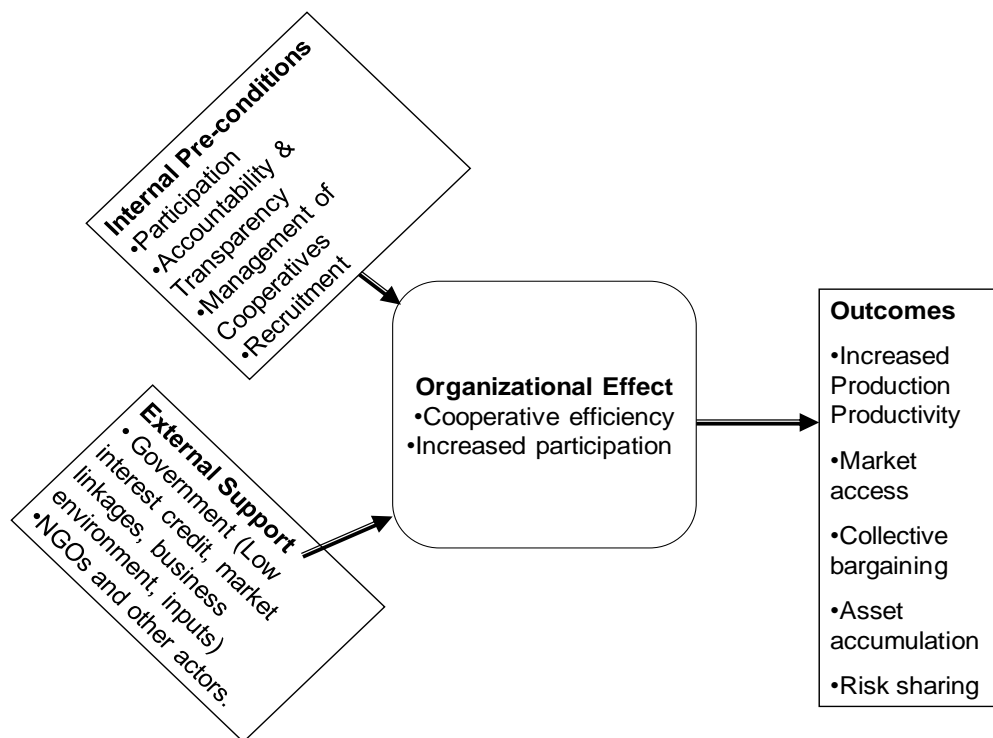
and freedom from government control, a market-driven approach and collaboration with other cooperatives’(ibid).

According to US Overseas Cooperative Development Council (2007:30) the success of cooperatives depends on the (i) availability of laws and policies, (ii) an economy which supports competitive businesses, (iii) membership must be open to users and members must pay for equity, (iv) there should be high equity and services must be member-centred, (iv) there must be professional management and (v) the Boards of Directors must be elected by the members, (vi) members must be able to access the market, (vii) employees must be accountable and (viii) there must be training for management and (ix) and the management must be willing to use modern technology.

2.6 Analytical Framework

This study uses the following analytical framework to illustrate the key inputs which determine the major outcome of the cooperatives.

Figure 1- Analytical Framework



Source: own construction.

2.6.1 Participation and Democracy

The World Bank defines participation as the “process through which stakeholders’ influence and share control of the development initiatives and the de-

cisions and resources which affects them” cited in the (UNDP 1997). According to Cleaver (1999) participation is said to enhance efficiency and effectiveness of investment and to promote processes of democratisation and empowerment of those who participate. Gasson (1977) argues that participation in cooperative “has been defined and measured in a variety of ways in studies of agricultural cooperation, ranging from simple count”.

The US Overseas Cooperative Development Council (2007:21) argues that 'participation and democracy are two important aspects in cooperative governance'. OCDC further explains that cooperatives act as 'vehicles for broad democratization and empowerment, instil basic democratic values and foster self reliance through collective action, shape relationships between institutions and civil society that encourage participation and conflict management'(ibid).

According to Krishnaswami (1970) cooperative democracy has deeper implications which include; '(i) the dimensions of freedom and equality between members, (ii) democratic control in a cooperative is exercised not by mere shareholders,(iii) decentralization of power is a necessary element in democracy, (iv) democratic control demands personal involvement in the decision making process by (a large number of members, which depends on their enlightenment, knowledge and awareness and (v) democracy implies autonomy in the sense of independence of external control'. According to Cornforth (2004) democratic ideas and practices 'have influenced the thinking about the governance of many types of organisations including cooperatives and other mutual organisations' which are established as membership associations.

2.6.2 Cooperative Management

According to USDA (1997), management of the cooperative is a 'team effort' which involves 'the formulation and execution of the operating policies and provide good services, maintain a sound position and implement operating efficiencies'. USDA adds that management of the cooperative has 'four functions which include; '(i) planning, (ii) organising, (iii) motivating and (iv) controlling'. Zeuli et al. (2004:51) indicates that the Board of Directors control 'the management of the cooperative and have the responsibility 'to make the cooperatives prosper, safeguard assets of member and represent their interests'.

Cropp (2005) observes that the success or failure of any cooperative is as 'a result of functioning Board of Directors that represents cooperative members'. Zeuli et al. (2004:51) suggest that Board members should be able to have '(i) good business judgement (ii) must think independently and (iii) be willing to ask critical questions, respect other members and (iv) be of integrity, as well as have a strong work ethic and comprehensive understanding of cooperatives'.

According to the United States Department of Agriculture (1997:27) the responsibilities of cooperative management include; '(i)coordinating business activities (ii) set goals and develop short-term strategic plans (iii) should recruit , appraise, and terminate employees, (iv) organize and coordinate internal activities (v) control daily operations (vi) maintain an accurate bookkeeping system (vii) prepare and present accurate financial and operational reports and lastly(viii) attend board meetings.'

2.6.3 Accountability and Transparency

Accountability and transparency are fundamental values in the cooperative business. In order to have an efficiently well managed cooperatives, there four critical factors needed in the management of the cooperatives in order ‘to promote homogeneity and limit free riding or opportunistic tendencies by members’ (Develtere et al. 2008b) These factors include; (i) transparency, (ii) democratic governance,(iii) internal accountability and (iv)control’ (Develtere et al. 2008b).

Owing to the above background this study investigated if cooperative leaders are accountable and transparent and verified how the cooperatives address issues of accountability if there was a case of mismanagement. Furthermore the study inquired from the Local government officials if they had handled any cases of mismanagement by the cooperative leaders and what actions were taken to address the problems, considering the fact that farmers are often considered powerless to manage such cases.

2.6.4 Recruitment/Mobilisation of Cooperative Members.

According to Zeuli et al. (2004) cooperatives are ‘voluntary organisations open to all persons able to use their services and willing to accept the responsibility of members.’ About recruitment of new members Zeuli et al. (2004) advise that the management committee and other volunteers should ‘move into the community and explain about the cooperatives in order to win support which can help to attract new members’. Zeuli et al. further advises that the cooperative management should write and prepare materials could be used ‘(i)to explain the mission and objectives of the cooperatives and (ii) aspiring members are made to sign membership agreements to guarantee their commitment.

2.6.5 External Support

USAID (2001) observes that cooperatives all over the world ‘have had to rely on governments or donor organisations for their operations in order to be sustainable’. The US Overseas Cooperative Development Council (2009:18) also observes that cooperatives “in many developing countries have had the experience of being managed by government cooperative departments with little business success and even less farmer participation in ownership or management”. Develtere et al. (2008a) writes that cooperative support often includes ‘(i) collaboration the provision of low-interest credit for capital-intensive investments, (ii) marketing of cooperative produce, particularly through fair trade arrangements, (iii) facilitating the creation of suitable legal and policy environment for cooperative enterprises and (iv) facilitating educational and training programmes in cooperatives’.

2.6.6 Cooperative Performance

US Overseas Cooperative Development Council (2009:33) indicates that “membership participation and governance are clear indicators of a cooperative’s long-term business success, as well as how it meets social objectives”. Similarly, Eze (cited in Pur et al. 2003: 1) points out that “an efficiently functioning cooperative organisation inculcates in members a sense of security and participation in development”.

According to Ortmann & King (cited in Chibanda et al. 2009:7) “performance of cooperatives depends on educating and training cooperative members, and enhancing their knowledge of cooperative principles and members’ rights”. In a study conducted in Yobe State in Nigeria “cooperative officials reported that (i) inadequate government support, (ii) lack of member’s commitment and (iii) lack of capital were the major constraints limiting the effective performance of cooperatives’ (Pur et al. 2003:1).

The US Overseas Cooperative Development Council (2009:10) argues that cooperative efficiency of cooperatives depends on; “(i) sound business practices (ii) strong membership participation,(iii)efficient apex organizations that provide oversight and services and (iv) a facilitating economic environment”.

In a study conducted by Chibanda et al.(2009:293) found out that; ‘the performance of the selected smallholder cooperatives was influenced by institutional and governance problem. The institutional problems gave rise to low levels of equity and debt capital, reliance on government funding, low levels of investment, and subsequent loss of members. While governance problems were strongly linked to the absence of secret ballot, low levels of education, lack of production and management skills training, weak marketing arrangements and consequent low returns to members as patrons or investors’.

2.6.7 Market Access and Collective Bargaining.

According Rotan (1998:9) cooperatives “are organized to enhance the income of producers through collectively marketing their farm products and providing producers with farm supplies at lower cost.” The main function of the cooperatives is economic, since they aim to integrate members into the marketing chain, either upstream or downstream’ (Sexton 1986). Birchall J. (2004:54)also argues that cooperatives have a contribution to make both on the supply and demand sides, since they open up markets by organizing supply of inputs and marketing of outputs. According to Markelova et al. (2009:6) collective action “for market access helps to correct market imperfections such as high transaction costs and missing credit markets, and fill in coordination gaps”. Markelova adds that farmers are able “to access information, reach quality standards and operate on a larger scale when they pool financial and labour resources”.

On the other hand, Clodius (1957) wrote that collective bargaining has three facets; (i) it means bilateral competition (between power relations),(ii) it also means inter firm competition between buyers and buyer and seller and seller, (iii) efforts of any group that may use power to influence any outcome where government is part of the participants’. ACDI VOCA (2009) indicated that that cooperatives enable their members to; (i) take charge of their destinies, (ii) gain economic efficiency, and (iii) build markets and communities, and lastly (iv) they help to increase market power. According to Birchall and Simmons (2009:14) cooperatives facilitate their members “to aggregate their market power and in so doing they provide ways out of poverty and powerlessness which would have been difficult to do on their own”.

2.6.8 Access to Input Services and Credits

According to Mellor (2009) ‘access to a variety of business services such as research, financial, management, or other forms of technical support are vital to the viability of cooperative’. However in many parts of the world, including Rwanda farmers are constrained with access to input and credit services as indicated in the (East Africa Dairy development Project Rwanda proposal paper)¹.

2.6.9 Wealth Creation

According to Birchall (2003:14) cooperatives “began by enabling people to raise themselves above poverty, but later they became a means by which low and middle income people continued to accumulate economic advantages”. Nembhard (2002:325) says that “successful cooperative businesses create wealth and help their members accumulate wealth”. Desjardins Development International (2006) also observes that cooperatives aim to mobilise savings in order to meet the needs of their members.

2.6.10 Risk Sharing

According to Sexton (1986:5) a risk is “pervasive problem for farmers and methods to reduce it or mitigate its effects naturally holding interest”. According to Ligon (2009) agricultural producers face numerous risks. Padberg, (1993:7) proposes that farmers could minimise risks by “pooling sales across time and space, which could reduce production risk and by making some payments to members on the basis of predetermined shares, rather than on actual delivery”. On the other hand, Birchall (2004) observes that cooperatives have the potential “to reduce risks to the communities, through connecting them up to wider markets, and diversifying sources of income”.

This section attempted to discuss the concepts applied in this study. These were carefully selected to help address the questions posed in the study about why some farmers join cooperative while other decline. Participation and democracy are critical in every society as it ensures free speaking and allow people of diverse backgrounds to express their views about their needs.

Good leadership in the cooperatives can lead to accountability and transparency. This has the advantage of winning the trust of members and even non-members. Good leadership can also help in the recruitment of new members since it takes away fear and apprehensions. It also has the propensity to improve performance of the cooperative because of increased trust.

The provision of market access to farmers is critical particularly for poor farmers who are often isolated and cut off from the main centres which offer market opportunities to agricultural produce. Creation of market access and the collectivization spirit allows the farmers to be able to afford purchasing and accumulation of resources/assets. Assets accumulation, in addition to collective bargaining is good for lobbying, price reduction and risk sharing. The

¹ East Africa Dairy Development Project is a project supporting dairy farmers in Rwanda.

concepts above are relevant to the study and allowed the researcher to address the research questions.

Chapter Three: Introduction to the Case Studies

3.0 Introduction

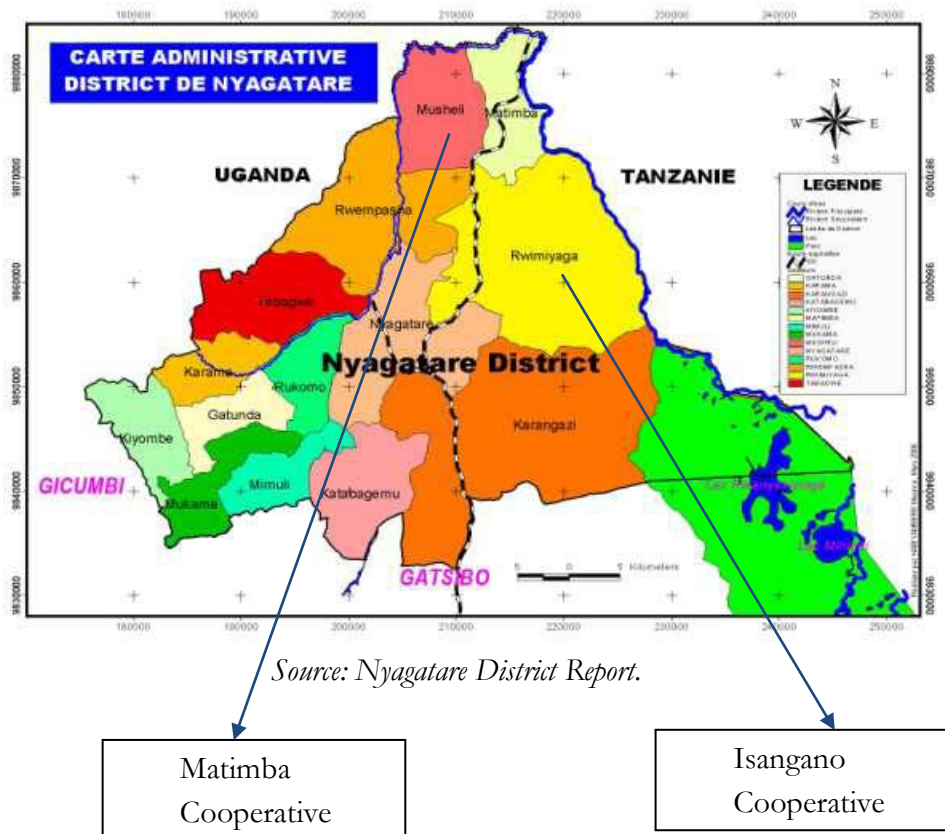
This chapter describes the location of the study area. It also presents the two cooperatives Matimba and Isangano from which the study was conducted and describes their major characteristics.

3.1 Location of the Case Studies

The study was conducted at Matimba and Isangano cooperatives, located in Nyagatare district, Eastern Province of Rwanda. Nyagatare district covers an area of 1.741 Km² and is made up of 14 sectors, 102 cells and 630 villages and has borders with Uganda to the north and Tanzania to the south, Gatsibo to the west and Gicumbi district to the east.

The main economic activities of the District include agriculture and livestock farming and business. Livestock farming is reported to be more dominant as represented in the District report which indicates that cattle keeping is the main activity in the area (Nyagatare District (2007). Map A.1 indicates Nyagatare district with the location of Matimba and Rwemiyaga sector from which the case studies are located.

Map A.1 Nyagatare District



3.2 Description of Case Studies

3.2.1 Matimba Dairy Farmers Cooperative

Matimba dairy farmers' cooperative is located in Matimba Sector in Nyagatare district. According to the management, the cooperative started its operations in 2006 with 17 members and registered officially in 2008 with approximately 86 members. Currently Matimba has about 881 registered members both paid up and non paid up (*see appendix for latest farmer numbers extracted from EADD*). The cooperative started with the goal of supporting members to find market for their milk since they were struggling with market challenges and they also wanted to work together so that they could improve their standards of living and support their children to go to school as articulated by Gahiga a farmer and a former chairperson of Matimba cooperative (Interviewed on 12/07/2011).

3.2.2 Isangano Dairy Farmers Cooperative

Isangano is located in Rwemiyanga Sector, Nyagatare district. The cooperative started in 2005 with 61 members but have since increased to 1179 members.² The cooperative started with the purpose of helping members 'to solve market problems for the members. It is also reported that farmers wanted to work together and solve common problems which were affecting them' (Chairperson of Isangano, interviewed on 07/7/2011).

3.3 Characteristics of the Two Cooperatives

3.3.1 Leadership

The two cooperative are managed by the management committees supported by staffs. Each of the management of the cooperatives is made up of nine members who include; the chairperson, vice chairperson, secretary, treasurer and five advisors. The management committees were elected through the general assembly and are expected to serve for a period of three years. Both cooperatives employ support staffs. The employees include cooperative accountants, vet officers, two milk assistants, cleaners, two tractor drivers and guards and each of the cooperative has eight to ten employees.

3.3.2 Farmer Numbers

According to the findings, both cooperatives are membership based. Current statistics from East Africa Dairy Development Project show that Matimba cooperative has 881 registered farmers out of 1500 dairy farmers in the whole sector. This means that 59% of the farmers in the sector have joined the cooperative while 41% haven't. While Isangano has 1170 members out of the 3991 farmers registered in Rwemiyanga sector. It should be noted that Rwemiyanga

² Current farmer numbers extracted from EADD Cooperative updates.

sector has another dairy cooperative which is reported to be having 930 members³. In total the two cooperatives in Rwemiyanga are registered with 2100 farmers representing 52.5% of the total registered farmers in the whole sector. The percentages above suggest that half of the farmers in the two sectors are members of the cooperatives while the other half has not yet joined members (*see table 4 in the appendix for data set of farmers extracted from EADD*).

3.3.3 Core Business of the Cooperative

Both cooperatives operate as business for milk bulking and selling. For example Matimba ‘bulks and sells fresh, high quality chilled milk with a goal of creating value for chilling plant owners and generating income for dairy farmers’ (TechnoServe 2008). According to the chairperson of Matimba, the cooperative helps members to (i) to access market (ii) it also helps members to earn incomes through their milk sales and (iii) it also lobbies for better milk prices from buyers and (vi) represent interests of members to the government and other partners. Matimba also helps members (v) to access agro vet services such as drugs and artificial insemination (AI).

In terms of business operation Matimba tried to diversify its business by introducing cheese processing in 2007 however due to quality requirements they were closed down in June 2008. Isangano plans to diversify its business by opening up a canteen which will serve as a restaurant for members and sell scholastic materials requested by cooperative members’ (Isangano Chairman).

Isangano like Matimba also collects and chills milk from members before selling it to buyers who include; a processor, traders and the neighbouring communities. The cooperative also offers vet services to members through a vet technician hired by the cooperative. In addition the cooperative operates a drug and mineral store which is accessed by members and also offers credit services to members.

In terms of business diversification, Isangano hasn’t yet diversified its business but at the time of this research the chairperson reported that they planning to open up a restaurant and canteen which would be used to serve breakfast and scholastic materials for members and their families.

3.3.4 Infrastructure/Facilities of the Cooperatives

In terms of infrastructural facilities, Matimba has had better infrastructure compared to Isangano. For example Matimba has better house which accommodates the chilling plant, with a laboratory unit, offices for the chairman and the accountant and a meeting hall for the general meetings. On the other hand Isangano has a small house which can only accommodate the chilling plant, and the office of the accountant. Isangano is yet to construct a new house with all facilities like that of Matimba.

Also, Matimba has two coolers with 4000L capacity per day while Isangano has one cooler of 3000L. This means that Matimba is able to receive more member milk compared to Isangano. However it should be noted that

³ The second dairy cooperative in Rwemiyanga is called Kirebe.

both cooperatives reported having small cooler capacities since many farmers had improved their cattle breed, milk production had increased so the coolers are not sufficient to accommodate all the milk from members.

Furthermore, Matimba has a fully functioning pharmacy attached to its main house and owns a salt store which is accessed by members throughout the year. On other hand, Isangano uses makeshift stores in which they keep their drugs and salts. Figure 1- presents the buildings which are used by the cooperatives as chilling plant houses.

Figure 2- Photo narration of housing of the two cooperatives



Source: Field work

3.3.5 Similarities' Between the Two Cooperatives

With reference to similarities, both cooperatives operate as businesses and their main activity is (i) chilling and selling milk (ii) provide agro vet services (such as vet and artificial insemination to members). Both cooperatives are (i) membership based, (ii) are headed by management cooperatives, (iii) they are legally registered and recognised as business cooperatives and (iv) sell their milk to a processor.

Isangano and Matimba dairy farmers' cooperatives offer typical examples of dairy cooperatives in Rwanda, and much of the field work was conducted around these two cooperatives. These cooperatives were selected because I happened to have worked with them under East Africa Dairy Development Project Rwanda).

Generally, although the two cooperatives started about the same time, they haven't been performing the same way; Matimba is considered to be more successful compared to Isangano. For example the management of Matimba has never been implicated in mismanagement of member funds while in the past Isangano management was implicated mismanagement of member funds in 2009 as a result some of the leaders were forced to resign.

Chapter Four: Internal Organisation

4.0 Introduction

This chapter discusses participation and democracy in the two case studies. It and discusses how they are managed. Furthermore it discusses the requirements for joining the cooperatives and the process of recruitment for new members and the incentives given to new members.

4.1 Participation and Democracy in the Cooperatives

The US Overseas Cooperative Development Council (2007:21) argues that cooperatives “help to democratize and empower many people in developing countries”. For example they ‘instil basic democratic values and foster self-reliance through collective action and shape relationships between institutions and civil society that encourage participation and conflict management’. Furthermore, cooperatives instil ‘(i) democratic member control (one member, one vote), (ii) promote participatory management practices and (iii) promote transparency in decision-making and financial accountability and (iv) they encourage devolution of power and lastly (v) promote collective action and bargaining power among members’ (ibid).

Cleaver (1999) argues that participation enhances ‘efficiency and effectiveness of investment and promotes processes of democratisation and empowerment of those who participate’. Similarly Nugussie (2010) points out that participation of farmers in “public meetings or workshops, trainings, and exposure visits enhance the awareness of the rural people on the importance of cooperative societies”.

The US Overseas Cooperative Development Council (2009:16) writes that “democratic participation of members improves the economic functioning of the cooperative business by incorporating their knowledge and loyalty. It also fosters democracy and inclusion by demonstrating the value of broad participation in economic structures”. Therefore it is “important that members participate actively, including electing board members”(ibid).

According to the study findings cooperative members understood participation which in the local language means ‘*kwitabira*’. According to the findings members of the cooperatives participate in the cooperative by; (i) supplying milk, (ii) attending meetings and taking part in the decision making, (iii) though election of leaders, (iv) attend trainings/seminars and (v) other events organised by the cooperative management or local government officials (for example labour day, farmer open days, community work, sharing of profits, taking part in the artificial insemination campaigns and vaccination of animal in the communities).

However, according to the Director of Rwanda Cooperative Agency, ‘participation of cooperative members is still low even though there is good mobilisation on the ground from the government and other supporting agents’. He explained that participation is low partly because of ‘(i) the poor management

of cooperatives, (ii) lack of commitment from members and (iii) lack of understanding of member roles and (iii) other commitments'. He observed that 'because of low participation, cooperative leaders tend to mismanage organisation resources' (interviewed 16/08/2011). Similar views were echoed by the Vice Mayor of Nyagatare District.

On the contrary, cooperative leaders reported that participation of members had relatively improved partly because of (i) improved awareness about the benefits of being in the cooperatives, (ii) increased mobilisation from the government and other partners and lastly (iii) improved trust in the governance of the cooperatives' (Isangano Chairperson, 07/07/2011).

One of the members who was interviewed reported that sometimes farmers are unable to participate in cooperative activities because they have (i) to look after their cattle since they do not have workers and (ii) family commitments hinder them to take part some cooperative activities and lastly (iii) lack of milk to supply to the cooperative affects member participation especially in the dry season.

4.1.1 Democratic Governance

The US Overseas Cooperative Development Council (2007) argues that cooperatives enable their members to "learn the principles of democratic governance, transparency and member participation". OCDC further adds that "cooperative give their members and "other impoverished people a voice and a chance to take charge of their destinies". The same organisation also reports that "democratic participation of members improves the economic functioning of the cooperative business by incorporating their knowledge and loyalty and it fosters democracy and inclusion by demonstrating the value of broad participation in economic structures" (US Overseas Cooperative Development Council 2009:16).

The findings of the study indicate that the management of the two cooperatives practice democratic governance as required by the Rwanda Cooperative Law (2007). For example it was reported that the management of the two cooperatives (i) held regular elections (ii) observe and follow the laws governing the cooperatives, (iii) give the same treatment to women and men iv) when it's time for sharing bonuses, every member is given equal share and (v) they give equal opportunities for training to all members including the youth.

4.1.2 Equality in the Cooperative

Equity is "an underlying principle of cooperatives. therefore if a cooperative succeeds financially, its members share directly and proportionately in that success" (US Overseas Cooperative Development Council (2009:16)

In terms of the research findings, it was reported that there was equal representation of all members. Cooperative leaders stated that they were partial to all members in the cooperative. For example if the cooperative made profit, they shared equitably and provided same members with the same opportunities for example training or study trips. Generally it was reported that all members are treated the same irrespective of whether they are men or women.

According to the Director of Rwanda Cooperative some cooperatives do not have equal representation , mainly because of the ‘(i) type of cooperative business, (for example fishing cooperatives tend to attract more men than women while the weaving cooperatives attract mostly women than men) (ii) some women think that if their husbands are in the cooperatives then there is no need for them to join, (iii) cultural factors also impend women to join and(iv) lastly family commitment also affect women’s participation in the co-operative activities’ (interviewed on 16/08/2011).

To summaries this section, participation and democratic governance are ‘fundamental principles that are needed in the governance of cooperatives’ (International Cooperative Alliance 2005). Therefore improving participation of members requires that the management facilitate members and reduce all the obstacles that hinder their participation.

4.2 Management of the Two Cooperatives

According to United States Department of Agriculture (2002) the success of the cooperative “depends on the effectiveness of the Board of Directors, who acts as ‘the link between the management and the members’”.

The findings from the two cooperatives indicate that the two cooperatives have management committee leaders, who were elected through the General Assembly. They also have a team of support staff recruited specifically to support the management committee in the running of the business. According to some of the members who took part in the survey, the current management committee members are accountable and transparent. Members explained that the management provides ‘monthly reports and call for regular meetings to inform members about the performance of the cooperatives.

However, other respondents including the district and sector officials reported that cooperative leaders were not accountable and had been implicated in the mismanagement of cooperative funds in the past years. Isangano for example in 2009 forced out the chair person and cooperative accountant and they elected a new chairperson and recruited a new accountant in 2010.

The study also sought to find out if the management committee members were paid. Findings revealed that the cooperatives do not pay the management committees but they facilitate them to attend a meeting or conference by providing lunch, transport and accommodation allowance.

4.3 Requirements for Joining the Cooperatives

According to Rwanda Cooperative Law (2007:38) article 29; for one to become a member of the cooperative, he or she must be “(i) at least sixteen years ,(ii) must not participate in any activities that compete with the same cooperative, (iii) must pay up his shares in accordance with the by-laws, (iv) must be committed to the cooperative organisation and (v) must apply for membership and be admitted by the general assembly”.

The findings of this study revealed that both cooperatives follow the co-operative law. For example for ‘every new member, he/ she must (i) pay membership fees, (ii) write letter of application, after which a general assembly

convenes to approve or reject the applicants and (iii) new members are required to participate in cooperative activities' (Chairperson of Isangano interviewed on 11/07/ 2011).

Furthermore the study established that each of the cooperatives had different membership fee charges. For example Matimba charges 20,000Rwf (~24 Euros) while Isangano charges 5000Rwf (~6Euros). Isangano has the lowest membership charges compared to Matimba.

4.4 Recruitment of Members and Incentives Given

According to the chairman of Isangano 'new members are mostly recruited through mobilisation using Trainers of Trainers (ToTs) and Community Animal Health Practitioners (CAHPs)'. The chairman explained that the ToTs and CAHPs move house to house sensitizing members to join the cooperatives while offering services. The study findings also revealed that new members are recruited through meetings for dairy farmers organised by the local leaders together with cooperative management and other partners such as EADD. During the meetings, farmers are sensitised about joining the cooperatives. Other strategies which were reported include; neighbour to neighbour recruitment, where members of the cooperatives mobilise their neighbours who are not yet in the cooperative and the cooperatives also organise visits to model farmers who share their experiences to motivate small holder farmers.

With respect to incentives given to new members, it was reported that the management of the two cooperatives allow new members to pay their membership fees in instalments; they also allow new members to participate in cooperative activities. For example new members are allowed to supply milk, take part in the training opportunities and access all services offered by the cooperative.

In conclusion, despite the mobilisation and the incentives given to potential members, the decision to join or not to join the cooperatives is made by an individual farmer who has to realise that it is in their interest to join or not join. Hence potential members have to decide on their own and commit to meet member requirements.

Chapter Five: Cooperative Performance

5.0 Introduction

This chapter discusses the performance of the two cooperatives and describes the reasons for and against the joining the cooperatives together with the benefits and challenges faced by the members.

5.1 Cooperative Performance

The US Overseas Cooperative Development Council (2009:28) says that measuring cooperative “business success is more complicated than for an investor-owned business. For the latter, the objective is to maximize profit or rate of return on equity. For cooperatives, the objective simply may be to give members a better price or service”.

According to Rwanda Cooperative Policy (2006) cooperative inefficiencies in Rwanda ‘necessitated the formulation of the compressive cooperative policy’. In 2008 a study carried out by TechnoServe/ East Africa Dairy Development Project Rwanda evaluated the operational and managerial efficiency of the two cooperatives. It indicated that the two cooperatives were characterised by poor performance, lack of records, high expenses, low milk quality, low milk prices, unreliable markets, and lack of access to input services, and low farmer participation in the cooperative activities.

This study evaluated the performance of the cooperatives using the pricing, profitability and management efficiency as indicators to determine if the cooperatives had improved on their performance for the last three. It should be noted that the data used in this section was provided by the field staff from East Africa Dairy Development Project Rwanda, without which it would have been difficult to get since the two cooperatives lack proper records.

5.2 Buying and Selling Prices of the Two Cooperatives

The buying price is the price paid to the farmers by the cooperatives while selling price is the price at which the cooperative sells to the processor or traders. In the three years the set of prices at Matimba and Isangano cooperative is almost the same with slight differences in some months but overall the prices are similar. Table 1- illustrates the buying prices for the two cooperatives from 2009 to 2011.

Table 1- Buying prices for Isangano and Matimba cooperatives

Months	Isangano buying prices 2011	Matimba buying prices 2011	Isangano buying prices 2010	Matimba buying prices 2010	Isangano buying prices 2009	Matimba buying prices 2009
January	126	126	130	110	130	130
February	126	126	135	128	130	130
March	126	126	135	128	128	128
April	170	170	130	130	128	128
May	175	175	130	138	139	128
June	200	200	130	138	146	164
July	200	200	145	152	179	164
August	200	150	221	180	200	200
September	200	130	176	190	230	225
October	N/A	N/A	146	185	200	250
November	N/A	N/A	146	146	138	130
December	N/A	N/A	146	126	138	110
Average	169	146	148	146	157	157

Source: EADD cooperative Performance reports 2009 to 2011

Table 2, illustrates Isangano and Matimba selling prices for the last three years. The main of observation about the selling prices for the two cooperatives is that, there has been a similarity and variation in the milk prices over the last three years. However, comparatively, Isangano performs better than Matimba in some months.

Likewise, Matimba received good prices in some months as indicated in the table. For example, in 2011, both cooperatives got similar prices throughout out of the year except for Matimba in August and September 2011. In 2010, Isangano had good prices in the first quarter of the year, compared to Matimba. On the contrarily, Matimba also got better prices from June to November of the same. In 2009, both cooperatives received similar prices in the first and second quarter and but prices changed in the third and fourth quarter.

Table 2- selling price for Isangano and Matimba cooperative

Months	Isangano Selling price 2011	Matimba selling price 2011	Isangano selling price 2010	Matimba selling price 2010	Isangano selling price 2009	Matimba selling price 2009
Jan	150	150	160	130	150	150
Feb	150	150	160	150	150	150
Mar	150	150	155	150	150	150
Apr	210	210	150	150	150	150
May	210	210	150	150	150	150
Jun	235	235	150	180	160	150
Jul	235	235	166	207	200	207
Aug	235	213	245	250	250	250
Sep	235	203	170	225	250	275
Oct	N/A	N/A	170	250	222	300
Nov	N/A	N/A	170	170	160	150
Dec	N/A	N/A	397	170	160	130
Average	201	195	187	182	179	184

Source: EADD cooperative Performance reports 2009 to 2011

Generally, the buying and selling prices for the two cooperatives varied in the three years. This is mainly due to; (i) seasonal factors, for example the rainy season tends to reduce milk prices (due to increased milk production in the whole country) while the dry season increases prices (due to reduced milk production), (ii) low incomes also affect demand, (iii) some people produce their own milk (they own cows). Other factors affecting prices include; (vi) milk quality (processed milk tend to be highly priced compared to unprocessed milk (for example a litre of processed milk sales between 500 to 600 RwF while the prices of the unprocessed milk is ~200 to 300 RwF per litre). In addition, other factors affecting prices include; (v) lack of market and (vi) high transport costs (both cooperatives hire trucks for transporting milk to the processor which ultimately affects price) and lastly (vii) foreign dairy products from the region and beyond also affect milk prices (for example some people prefer to buy milk from Kenya or Uganda than buying locally produced milk).

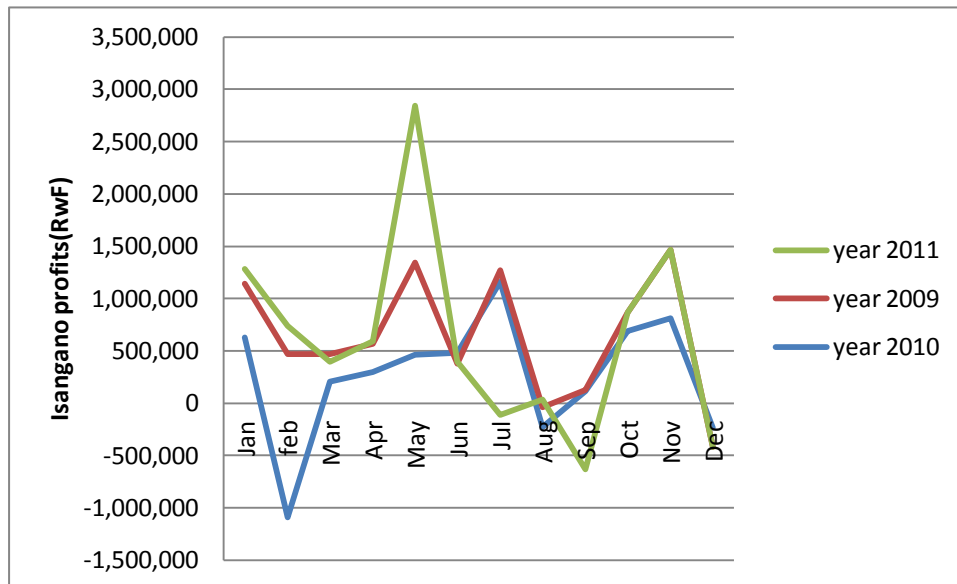
5.3 Profitability of the Two Cooperative

Figure 3 indicates the profit scenario of Isangano over the months during the last three years, 2009, 2010 & 2011. From January to July 2009 Isangano earned positive profits. In 2009, the profit curve moves downward drastically and reach to the horizontal axis in August due to high operational costs such as fuel, salaries and transport, and severe drought which affect milk production. Very bad performance of this cooperative is also reflected in 2010 except a few months. The same reasons are behind the story of poor performance in 2009.

In 2011, Isangano made good improvement. This is due to the fact (i) they got a processor who buys milk from them, (ii) they receive a better price from

the cooperative and it had been consistent, (iii) Isangano was connected with electricity which is used to chill the milk, (the use of electricity has helped to reduce operational costs especially the down in generator costs).

Figure 3- Profitability trend of Isangano (2009 to 2011)

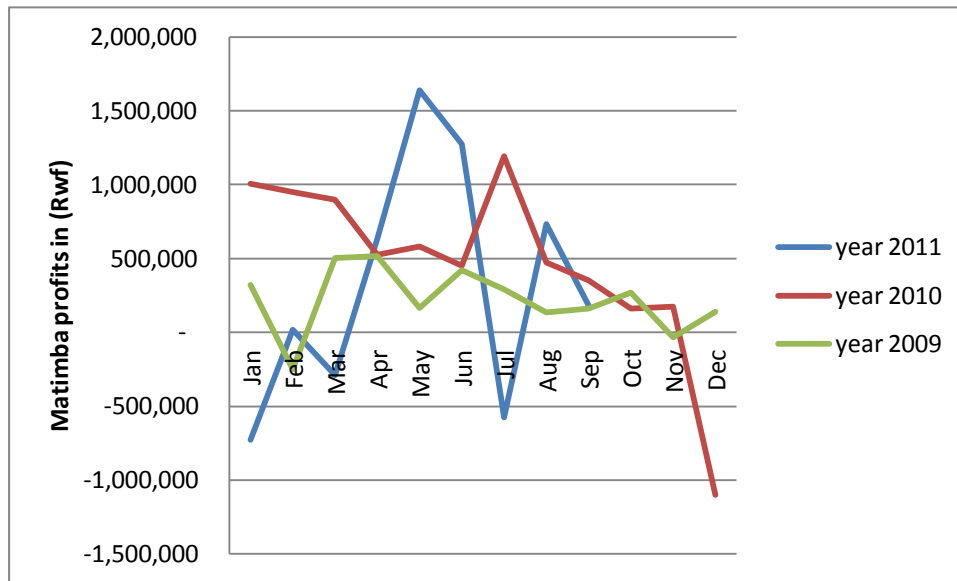


Source: Reconstructed from EADD Monthly Cooperative Reports 2009 to 2011

Figure 4 illustrates the profitability trend of Matimba cooperative for the last three years. In 2009 Matimba made average profits throughout the year except February and November. Similarly, in 2010, the cooperative managed to make average profit throughout the year except in November.

Matimba managed to some reasonable prices because of the; (i) the technical advice given by EADD and other partners concerning cooperative management and strategies on cutting down expenses, (ii) reliable market which the cooperative had with some traders, (iii) good leadership (in comparison with Isangano, Matimba had good leaders).

Figure 4- Profitability Trend of Matimba (2009 to 2011)



Overall, both cooperatives have been having variation in their profitability trends, partly due to (i) high operational costs which reduced profits, (i) severe drought and (iii) low milk selling prices. It should be noted that in 2011, both cooperatives seem to have improved on their profitability partly because they got a processor to buy milk and pay better prices. Furthermore Isangano got electricity which reduced generator costs as reported by the management.

5.4 Management Efficiency

According to the (United Nations 2009) cooperatives success is a “function of capable management and governance and the ability to adapt to prevailing business conditions”.

With reference to management efficiency of the management committee and staff members, the study found out that the two cooperatives lack qualified staff. Both cooperatives reported lacking qualified staff and the inability to recruit qualified staff since they can't afford to pay them. It was reported that the cooperative management committees and staff had basic primary and secondary education which is not sufficient to manage the cooperatives.

According to the District officials, the poor performance of the cooperatives is largely due to the lack of management skills and the inability of the committee members and staff to understand their roles. In the feasibility studies conducted by TechnoServe/ East Africa Dairy Development Project Rwanda (2008) it was revealed that the management committee members and staff of the two cooperatives had skills gaps which affected the performance of the cooperatives.

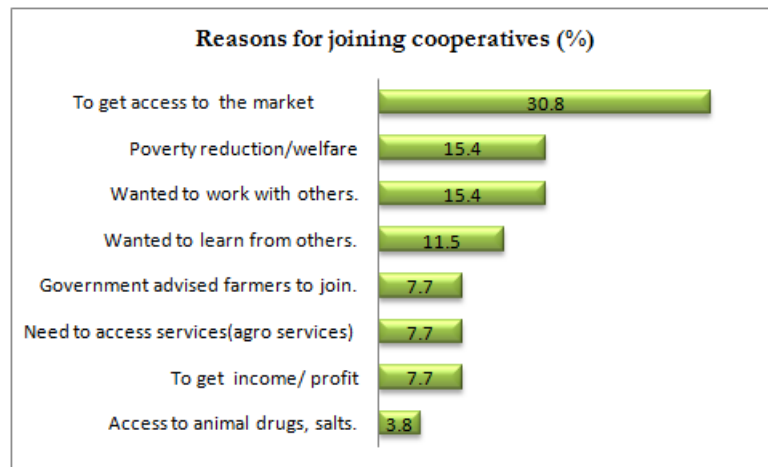
To summaries this section, cooperatives are considered to be good models for uplifting millions of people out of poverty as indicated by Birchall J. (2004). However, the success of the cooperatives in meeting such expectations depends on the performance of the cooperatives, ability to make profit, ability to get a market for having good price, capability of the management and the level of support availed to them.

5.5 Why Farmers Join Cooperative

According to ACDI -VOCA cooperatives “enable producers and marketers to take charge of their destinies gain economic efficiency, and simultaneously build markets and communities”.

The interviewed farmers provided several reasons for joining cooperatives. Prominent among these is the need to gain access to markets for their milk. This evidenced by the high response of the farmers (in table 6). Respondents reported that it was not easy for individuals to find market for their milk on their own, so they had to join the cooperative so that they could find market.

Figure 5- Reasons for joining dairy cooperatives



Source: Field Data

It was also revealed, that farmers join the cooperative in order to work with others. One farmer in Matimba explained that ‘two heads are better than one’, he argued that working with other farmers offers lessons which inspire others to improve their dairy farming activities. Another farmer who had feared to cross his Ankole cattle reported that he got inspiration from other farmers who had already transformed their type of breed. However because of being in the cooperative and seeing others supplying a lot of milk because of the cows they had, he was motivated to sell his local Ankole cattle so that he could buy the exotic breed which is considered to be more productive in terms of milk.

Furthermore, farmers reported that they join cooperatives in order to (i) access services (for example credit services) and (ii) they also wanted to access farm inputs such animal drugs, salts and to access (iii) artificial insemination services.

In another separate study conducted in South Africa by Chibanda, M. (2009) show that farmers join the cooperatives because; “(i) they needed community development, (ii) creation of employment, (iii) affirmative action, for example they wanted to provide employment to disadvantaged women and orphans, (iv) to provide food security for the members’ families of their members”.

Nugussie, W.Z. (2010:138) also conducted a similar study in Ethiopia to find out why farmers join the cooperatives. The findings of her study revealed that farmers were induced to join the cooperatives because; (i) they were male household(ii) member in rural associations, (iii) attending public meeting and/or workshop; (iv) membership in administrating committees; (v) accessibility to credit services, (vi) exposure visits and training access;(vii) number of family sizes, (viii) family members in secondary school, and (ix) information access’.

To conclude section, there are common factors that cut across the study findings and those of other researchers that farmers join cooperatives because of different motives. Some motivates are similar while others are not. To end this section I use the words of Nugussie (2010:143) who remarks that “becoming member of agricultural cooperative societies depends not only on the personal interests of the rural people but also on other additional factors that motivate them to become member of agricultural cooperatives. That is why some people become member while others do not”. Indeed there are factors that act as catalysts to motivate farmers to join the cooperatives as indicated.

5.6 Why Farmers Don’t Join Cooperatives?

Several reasons were given by non members to explain why they had not joined the cooperatives. Firstly it was reported that farmers lack membership fees in order to be able to join the cooperatives. Non- members explained that they could not afford membership charges because it was too high. It should be noted in order to join the cooperative you have to pay membership.

According to the findings, each of the cooperative has its unique charge. For example Matimba charges 20,000RwF⁴ which is approximately (24Euros) based on the current rate of exchange which is (1€=830 RwF). Isangano charges 5,000RwF to every new member which is approximately (6 Euros).

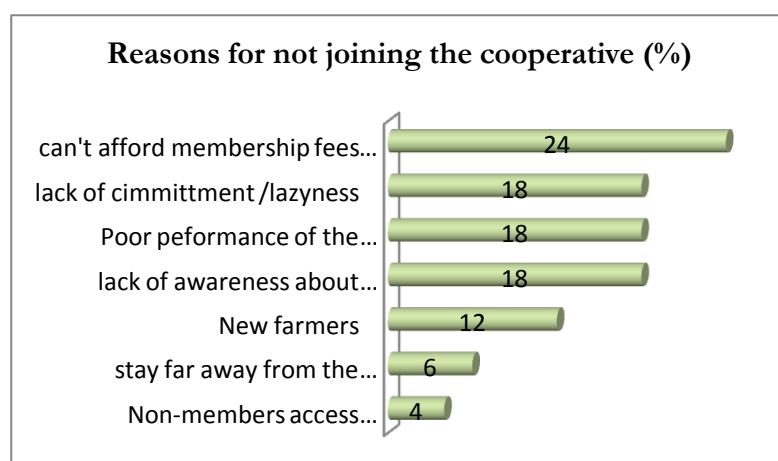
Furthermore it was reported that some farmers had not joined the cooperatives because of the poor performance of the cooperatives. They explained that the cooperatives were associated with many problems for example (high losses, low prices , delay in paying farmers and mismanaged of cooperative resources by the management committees hinder new members to join. It should be noted that farmers mostly join cooperatives in order to find market.

Related to the above is the inefficiency of the management committee and staff which was reported by the district officials and the fact that members within the cooperatives had not yet realised the benefits of being in the cooperative, as a result new farmers are not motivated to join.

The findings also showed that some farmers had not yet joined the cooperatives because they were not having information about the cooperatives. For example one farmer in Rwemiyanga sector explained that he had not joined the cooperative because he didn’t have information about the cooperative since he had just returned into the country.

⁴ Rwanda Francs

Figure 6- Reasons for not joining the cooperatives



Source: Field data

Some local leaders who were interviewed for this study reported that some farmers lacked commitment while others were simply lazy or had poor perceptions about cooperatives because of the past years. They argued that both the cooperatives and local government officials had carried out enough mobilisations but some farmers had not yet joined because they lacked commitment and were biased towards cooperatives. One local leader at Rwemiyanga explained that during the mobilisation meetings, farmers are told about the benefits and the requirements for joining but the decision to join remains that of the farmer.

Cooperative leaders explained that some farmers had not joined the cooperatives because they indirectly access the services offered by the cooperatives. For example (i) some non-members sell milk to local transporters who in turn sell it to the cooperatives, (ii) they also access vet and AI services from the Sector and the cooperative vets, as a result they do not see the need to join the cooperatives since they get the same services offered by the cooperative.

It was also established that some farmers had not joined the cooperatives because they had received cows recently from the one cow per family program so they were yet to join. According to Matimba Sector officials, government and some private organisations give cows to poor households through

the One Cow per Family Program⁵ which happens to be an ongoing program. Therefore the new beneficiaries had not yet joined the cooperatives.

In comparison with other studies such as Spielman et al. (2008) their study findings in Ethiopia reveal farmers did not join the cooperatives because ; (i)they didn't know if the cooperatives could benefit them, (ii)some people were not being accepted into the cooperative while (iii) others preferred to wait and see if the cooperatives could benefit so that they could join ,(iv) feared to invest in the cooperatives because they were not sure if they could get back their money ,(v) had issues of trust in the organisation,(vi) lacked awareness about the cooperatives ,(vii) some reported not having land in the area where the cooperative was located and lastly (viii) some farmers reported that they did not have money to meet membership requirements.

My observation is that the case above has similarity to the findings of this study. The issues raised are similar to the concerns raised by farmer in Rwanda, for example farmers reported the issue of high membership charges and poor performance of the cooperative as barriers to joining the cooperative.

5.7 Reasons for Dropping Out of the Cooperatives

With respect to dropping out of the cooperatives, the management of Matimba reported that some farmers drop out of the cooperatives as a result of death. They also reported that the family of the deceased is allowed by the cooperative to appoint a representative if they so wish to remain in the cooperative. The representative can continue to supply the milk and claim other services which might be needed by the family of the former member.

It was also reported that some farmers drop out because of the immigrations reasons. The chairman of Isangano mentioned that some farmers moved out of Rwemiyanga sector yet they were members of the cooperative. In such cases those members dropped out of the cooperative, since they could not access the services of the cooperative in the new locations.

⁵ One Cow Per Family Program is a Government Initiative that gives poor households cows to help them improve their standards of living through consumption and milk sales.

In concluding this section, there are many factors which influence farmers to join or not to join or even drop out of the cooperatives. It is clear farmers that have reasons why they choose to join, not to join. Whereas government and other actors support and promote cooperatives, the decision to join the cooperatives lies with the farmers as pointed out by Birchall (2004:14) who suggests that people are indeed “free to join or leave” the cooperative, despite the incentives and the motivation from the cooperative or the government.

5.8 Benefits of Being in the Cooperatives.

The United States Department of Agriculture (1990:1) says that “cooperative benefits are difficult to measure, while some are tangible or direct as in the case of net margins, others are intangible or indirect such as cooperatives’ effect on market price levels, quality, and service. Cooperatives are associated with many benefits as pointed out by different scholars such as (Birchall 2004; Braven 1991; Uma 1981; Wanyama et al. 2008; UNDP 1997). For example cooperatives are said to be ‘effective means of spurring development and help to eradicate poverty and promote social economic goals and ensure equality in the distribution of opportunities and justice’ (Braven (1991).

According to US Overseas Cooperative Development Council (2007) economically, cooperatives “effectively reduce market barriers that would impede groups in developing and transformational countries from fully participating in the economic sphere”. OCDC further add that cooperatives facilitate their members to; (i) generate economies of scale that reduce transaction costs or increase incomes through volume sales (ii) they increase efficiencies along the value chain through greater access to information and networks (iii) Improve the quality and value-added of products (by learning new skills and leverage technologies), (iv) increase access to capital and lastly allow members to have bargaining power through collective action”.

Sentama, (2009:88) writes that “despite the lack of literature on tangible achievements of cooperatives in Rwanda, the general contention in the recent reports of the MINICOM (Ministry of Commerce) is that cooperatives are promoting the socio-economic well-being (income) of people—above all in rural areas, which has resulted in rural economic transformation”.

In relationship to this study, it was reported that the two cooperatives offer numerous benefits to their members. Firstly, it was reported that cooperatives help their members to access market for milk. According to the management, the cooperatives receive milk from members and help to chill it before it’s taken to the processor.

Cooperatives also help members to access services for example agro-vet for example drugs and treatment services, artificial insemination (AIs) and micro credits for example small loans. The farmers who were interviewed reported that through the cooperatives they were able to get access subsidised AIs services, and they also access the services of the vet- technician employed by the cooperatives, (it should be noted that both cooperatives employ a full time veterinary officer). Other services offered by the cooperatives include; tractor and chopper machine services.

Cooperatives and their members also reported they received training opportunities from various organisations. Some of the trainings which they re-

ceived include; (i) cooperative management and governance (ii) milk production and milk quality as well as handling and (iii) feed and fodder management.

In comparisons with other studies such as (Spielman et al. 2008; Birchall and Simmons 2009:34) evidence show cooperatives ‘play a central role’ by helping member access inputs, manage resources of their members, participate in local governance and act as ‘a community voice’ for farmers in Ethiopia.

In Tanzania and Sri Lanka, cooperatives also help their members to ‘(i) access to knowledge and training, (ii) provide technical information, (iii) supply inputs to their members, (iv) provide inputs such as (credits and seeds, equipment, chemicals, fertilizers) and (v) provide such as (agricultural equipment, fishery nets, fishing boats, restock a lake with fish) , (v) help members to sell their outputs such as milk from their members, while (vi) agricultural marketing cooperatives collect and sell produce and offer higher price to members for their produce than they would be able to get from private buyers’ (Birchall and Simmons 2009:34)

The same study also indicates that contrary to the usual cooperative contributions, they also ‘lobby local governments to build roads and get public transport into the area, provide money for infrastructural development and mediate with road construction companies and contractors and play an intermediary role between the governments and the public’ (ibid).

5.9 Challenges Faced by the Farmers

Cooperatives face many challenges that are ‘internal and external challenges. The internal challenges involve ‘structure, size, membership, financing, and operations; the external challenges ‘pertain to agricultural, economic, and competitive pressures in the food marketing industry of which cooperatives are a part’ (United States Department of Agriculture 1993:29)

According to Rwanda Cooperative Policy (2006:10) cooperatives in Rwanda face numerous challenges. These challenges include; (i) lack of legislative and clear policy to support the cooperatives , (ii) lack of resources such as access to credit, (iii) shortage of storage and marketing infrastructures (iv) poor rural facilities and (v) face institutional challenges such as multiplicity of stakeholders who lack coordination and (vi) lack professional management (for example they lack awareness which leads to dormant membership and (vii) experience limited government guidance and monitoring as result there is no follow up support, (viii) they are constrained by social and other interferences from both local and international Non Government Organisations which result into distortions of their objectives.

The study findings established that indeed cooperatives and their members lack a reliable market for the milk. Despite selling milk to Inyange Processing Plant, farmers reported that the processor wasn’t consistently taking all the milk and the processor had not given a contract to the cooperatives.

Other concerns related to market include; low milk prices, lack of contract with the processor and delayed payments by the processor. Low milk prices and the lack of contract with the processor were reported to be a big concern for members because the cooperatives are not sure if the processor would always buy the milk. On the issue of delayed payments, farmers ex-

plained that even though processor buys milk, the delay in paying was a major concern since they rely on milk sales as their source income. It should be noted that at the time of this research (July to August) farmers had not been paid for the month of June yet farmers had financial needs.

Farmers also reported that they lack dairy equipment. For example cans and milk testing equipments. Farmers explained that the cooperatives require members to supply milk in cans instead of plastic jerry cans yet they lack access to suppliers of those equipments. According to the chairperson of Isangano, the cooperative 'relies on purchasing some equipment such as cans from RARDA' while other equipments such as coolers have to be sourced from outside the country.

Furthermore, cooperatives farmers reported that the weather is a major challenge for them. It was reported that the dry season creates a shortage of water and pasture for animals yet many farmers rely on natural pasture for feeding and grazing their cattle. It was reported that the prolonged dry spell between (May and November) affect milk production resulting in reduced incomes and low participation of farmers in the cooperative activities.

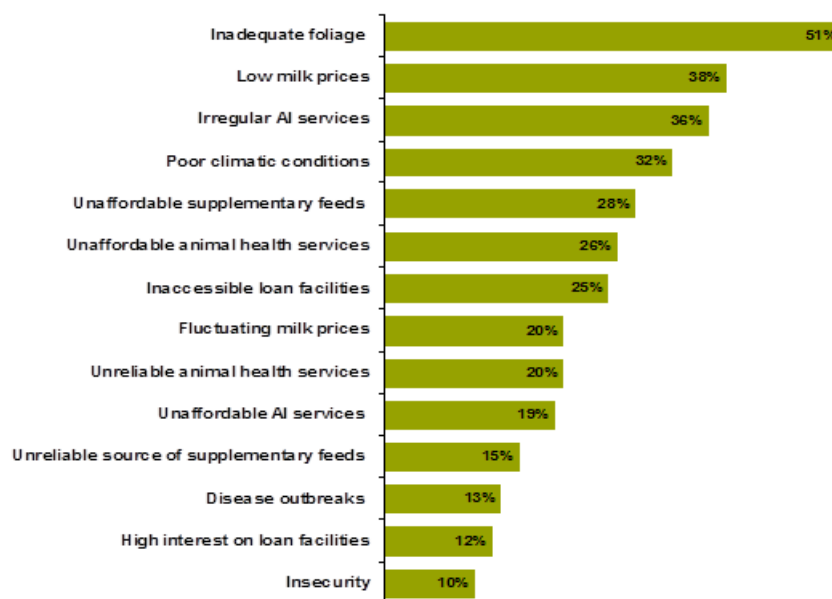
It was also reported that farmers had problems of diseases which attack their cattle. The common diseases which were reported include; foot and mouth and tick borne diseases. Farmers explained that they had no vet service providers except the vet from the cooperative and sector. They explained that sometimes it's difficult to get access to access their services as they would be busy.

Farmers indicated that they lack access to put services such as animal feeds, AI and financial credits. They explained that their cooperatives were not yet able to provide all the services on the full scale because they did not have enough money to purchase them.

At the cooperative level, it was revealed that (i)board members and staff lack good qualifications (most of the Board members have basic primary education while the highest qualified staffs have secondary education),(ii) cooperatives lack access to credits for business expansion (due to high financial requirements by the banks and micro credit institutions)(iii) low farmer participation in the cooperative activities was also reported to be a major concern, (iv) cooperatives also reported lacking sufficient cooler capacity to chill the milk (this was reported at Isangano). According to the chairman of Isangano ' the wet season, leads to an increase in milk production yet the cooperative cooler is too small to accommodate all the milk so the cooperative takes milk on the first come first serve basis' (interviewed on 07/07/2011). Whereas Matimba purchased a second cooler the chairperson also reported that the cooperative lacks sufficient cooler capacity to chill all the milk from members.

Figure 8, indicates findings about the major challenges dairy farmers face in Nyagatare District as found by FIT(2009). The FIT study was conducted in 2009, it revealed that dairy farmers in Nyagatare mostly lack access to foliage, and low milk prices ,irregular artificial insemination services and poor climatic conditions as the major challenges.

Figure 7- Major challenges faced by dairy farmers in Nyagatare district



Source: FIT Kenya (2009)

To summaries this section, analysed and reported major challenges dairy cooperatives and their members face in the two cooperatives. In comparison with other studies such as Birchall and Simmons (2009) reveal that farmers in Tanzania and Sri Lanka experience similar challenges. For example it is reported that farmers in Tanzania and Sri Lanka lack (i) access to loans, (ii) access to technical knowledge, (iii) they lack access to new technology and they (iv) lack access to business and leadership skills (v) lack access to markets beyond their locality as well as knowledge about opportunities for fair trade, (vi) face over regulation from governments and (vii) suffer from poor internal governance which lead to lack of trust in their own elected officials. Generally cooperatives in many cooperatives experience similar challenges as indicated in the study (ibid).

5.10 Risks Faced by Dairy Cooperatives

According to IFAD (2003) the poor households and their economic environment is “characterized by unpredictability, uncertainty and risk.” Zeuli (2006:4) advises that cooperative should share “benefits, costs, and risks of doing business in equal proportion”. Birchall (2004:54) also points out that thought cooperatives members are able “to reduce risk to individuals through pooling at the level of the enterprise”. In addition cooperatives can “reduce risks to their communities, through connecting them up to wider markets, and diversifying sources of income” (ibid). Polling to together has an advantage of enhancing relationship and increasing trust among members.

According to the findings, the two cooperatives face numerous risks. Common risks which reported include; (i) milk spoilage, (ii) unreliable market, (iii) disease outbreaks (such as foot and mouth diseases) and (iv) weather related risks (for example the prolonged drought which causes water shortage

and pasture while the rainy season causes high milk production yet cooperatives have insufficient cooler capacities).

Amidst the above risks, the study established that the two cooperatives have no insurance cover. The management reported that they had not yet acquired any insurance because it is reportedly expensive. However the management reported the cooperatives had some mechanisms for addressing certain risks. The management reported that often they called for the general meetings to inform members about the nature of the risks and discuss how to fix problems resulting from the risk faced (for example if it is about milk spoilage or financial loss, the management informs the members and agree to have equal responsibility in addressing the problem).

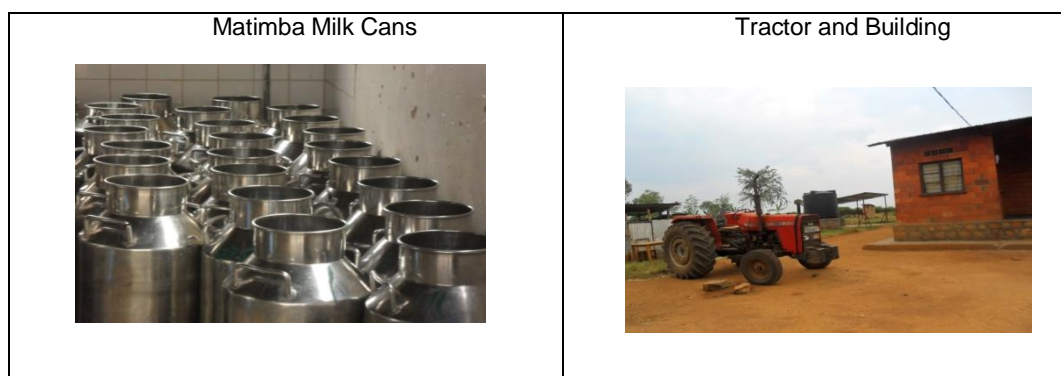
5.11 Asset Accumulation

The study found out that at an individual level, members of cooperatives were able to (i) acquire assets using the incomes generated from milk sales (examples of the assets include; land, water tanks, bicycles, motor bikes and constructed better houses as a result of being in the cooperative. Karagwa a farmer and a member of Isangano cooperative reported that from the milk sales he was able 'to construct a commercial building which he rents out and out of which he is able to pay schools fees for his children who study at the university and secondary schools' (interviewed on 08/07/2011),

Another member at Isangano reported he was able (i) to purchase cattle using a loan from Rwanda Development Bank (BRD) and he cross bred his traditional Ankole cattle using artificial insemination provided by the cooperative. George from Matimba, also reported that being in the cooperative enabled him to acquire a bank loan which he used (i) to construct a maize miller which uses to process maize and (ii) purchased more cows and (iii) built a better home for his family.

At the cooperative level, it was revealed both cooperatives own some assets which include; the coolers, generators, tractors and the chopper machines, motorbike and cans. Some of the assets were purchased by the cooperatives while others were given the government or Donors. The photos below show some of the assets that are owned by both cooperatives.

Figure 8- Photo narrations of assets owned by Isangano cooperative





Isangano Generator



Isangano Chopper machine









Water shade



Isangano water tank

Source: Field photos

Figure 9- Photo narration of Matimba cooperative assets.

<p>Milk coolers</p> 	<p>Water tanks</p> 
<p>Motor Bike</p> 	<p>Chopper machine</p> 
<p>Tractor</p> 	<p>Cans</p> 

Source: field photo

To summarise this chapter, the study established that cooperatives and their members own some assets as indicated above. The study established that farmers did not know how much of their assets were gotten as a result of being in the cooperatives.

Chapter Six: External Support Received by the Cooperatives

6.0 Introduction

This chapter presents findings on the support received by the cooperatives and their members. From the various respondents, it was revealed that the cooperatives receive a lot of support from government and non-government institutions.

6.1 Type of Support Received by the Two Cooperatives

The United Nations (2009) argues that governments “should promote the growth and viability of cooperatives by facilitating access to investment finance and credit, as well as training”. According to OCDC (2009) in many developing countries "cooperatives need a lot of support in order to be able to access services such as credits and electricity as well as markets and input services. US Overseas Cooperative Development Council (2009:49) further advises that “governments can help cooperatives spread from grassroots, local organizations to a national network by providing organizational expertise and a large infusion of capital and the foreign aid donors could contribute their expertise to this process”.

Braven (1991) also advises that “governments and donors should provide support to rural population to help them mobilise their human, financial and productive resources". In addition, "external agents could provide technical advice while the cooperatives are left to make their own decisions and that governments should strive to create an enabling environment and infrastructural support for cooperatives to be able to thrive"(ibid). The ILO also calls ‘for government support for cooperatives. In its 193 recommendation, ILO suggests that governments should promote the business potential of cooperatives, advocate for the creation of institutional framework in which governments register, regulate and provide support such as ‘human resource development, access to credit, and support services for marketing’ cited in (United Nations 2009:5).

6.1.1 Support From Government

Government provides support in two levels. One being the central government and it provides overarching policy framework for formation and operations of cooperatives. The local governments and other authorities give operational support for implementation of cooperative activities.

At the Central government level the government set up a Cooperative Agency that falls under the Ministry of Commerce and Trade to support the implementation of government programs in matters relating to cooperative organizations. Agency is supposed to undertake the following responsibilities; ‘(i)register and give them a legal personality (ii)regulate and supervise their operations, (iii) set standards and formulate professional ethics for prudent man-

agement(iv) supervise the implementation of laws and instructions governing cooperatives (v) promote and assist in their capacity building through training and seminars of its members and managers (vi)promote business entrepreneurship and encourage members to take advantage of investment opportunities at national, regional and international level(vii)carry out research and studies and ensure their publication (viii) advise the Government to elaborate the national policies,(ix) strategies and ensure the application of laws governing cooperative organizations and (x) develop good relations and collaborate with other agencies carrying out similar missions at both regional and international levels the’ (Ministry of Justice of Rwanda 2008).

At the Local government level, the district work closely with the cooperatives and offer various support in order to promote them. According to the Vice Mayor of the Nyagatare the district does mobilisation and sensitization of farmers to join cooperatives in order to benefit from collective actions in terms of pooling of resources and increasing their bargaining power and bulk purchasing of inputs and marketing of their produce. The district screens and does preliminary registration of cooperatives before they are legally registered by RCA. They also train staff and the management in milk quality control and handling, cooperative governance and management. Furthermore they offer supervisory and auditing services to ensure that there is no mismanagement of the funds. And link farmers to the market (interviewed 18/08/2011).

The Sectors from which the two cooperatives are located also indicated that they provide support to the two cooperatives. According to the findings, the two sectors help cooperatives and their members to (i) mobilise farmers to join the cooperative, (ii)vaccinate animals in order to protect them from diseases(iii) provide artificial insemination services, (iv)provide agricultural advisory services to increase milk production in the area and good management practices(v) supervise cooperative businesses to avoid mismanagement. In Matimba it was reported for example that the sector plans to provide more support by encouraging investors to set up two pharmacies for animal drugs, give cows to poor households through the one cow per family project and launch artificial insemination campaigns which will enhance production.

6.1.2 Support from Financial Institutions

Financial support is important, for running of the cooperative business in order for them to be successful. In many developing countries including Rwanda, cooperatives lack funds to run their business, they also lack the means to mobilise for internal resources due to poverty. They therefore require external financial support in order to be able to manage their businesses.

According to the findings, the management of the two cooperatives reported that they received financial support from some financial institutions such as Rwanda Development Bank (BRD). They reported that BRD gave credit to farmers which they used to buy exotic cows and purchase dairy equipment. A farmer stated that he had acquired a loan from BRD and used it to purchase cows. Whereas BRD is supposed to provide investment finance for agriculture development, it does not benefit small farmers who do not have the required security. It is, however, the big farmers and enterprises who are

able to access investment capital. Most of the small farmers and their cooperatives are access micro credits from intermediary financial institutions.

Other financial support is received from Small Micro Finance Institutions (SMFIs) such as Duterimbere which offer the following services to the two operatives (i) they give loans to farmers for their development, (ii) they also lend cooperatives micro credits for working capital at lower interest rate or no interest and they do not necessarily require security, (iii) they offer savings for cooperatives and their members and (iv) they are used as channel for payment of milk earnings for farmers. The cooperative managers indicated that paying farmers through the MFIs helps to reduce mismanagement of member funds and encourages savings. One farmer observed that he never imagined he would have a bank account or use bank services but the cooperative enabled him to achieve that.

6.1.3 Non Government Organisation Support

Non Government Institutions play a big role in supporting the functioning of cooperatives in various ways. After the Genocide NGOs both local and international have come to support government efforts in reconstructions and development of Rwanda. In the beginning, most NGOs, focused on reconciliation and conflict management. The past decade has seen a swift in NGOs activities from purely relief and substance to supporting poverty reduction and economic growth.

An interview with the members of cooperatives indicates that the two cooperatives receive support from NGOs. One of the biggest supports is received from East Africa Dairy Development Project (EADD) managed by a consortium of five NGOs. In Rwanda, EADD aims to increase production and marketing of dairy products. Specifically, EADD supplements government efforts in mobilisations, provide inputs and artificial insemination services at subsidised rate, offers agricultural extension and advisor services, business development training and linkages to the market. It also offered learning and helped farmers to access markets.

Furthermore cooperatives receive support from Land O'Lakes, an external NGO that focuses on milk quality management. It provides milk quality testing services and provides training on good milk quality management and control. According to the chairperson of Isangano cooperative Land O'Lakes helped to construct water shade which is used by the farmers and the cooperative to wash their cans after they have been used to supply milk. This improved the hygiene of the equipments and thus improved the quality of milk (interviewed on 11/07 2011).

6.2 Reflections on Support Received by the Cooperatives

In concluding this section “policymakers and donors have a key role to play in allocating adequate resources to foster the potential contribution of the cooperative business model to equitable economic growth, democratization, conflict prevention and resolution and social development” as indicated by (US Overseas Cooperative Development Council 2007:4).

The findings above show that various organisations offer support to cooperatives as indicated above. Cooperatives reported that they received various

support for example they are linked to market, milk quality is considered to have improved as result of training and testing offered by the partners, cooperative members also received trainings about cooperative management and governance, they also reported receiving support about market linkage and accessed input services such as agro vet an AI. Whereas the support given is necessary, there is (i) lack of coordination of all the support targeting farmers, (ii) visibility of the organisations and the support/ activities of some organisations is lacking, for example there is no mechanisms to track and measure the impact of the support (iii) there is duplication of the support(for example during the field work, cooperatives reported that EADD offered milk quality and cooperative management trainings yet Land O'Lakes as well as the district were reported to offer similar trainings).

The absence of coordination of the cooperative supports distorts efforts directed at helping the cooperatives improve their performance. The cooperatives and their members might be confused on whom to pay their allegiance and might become less interested to participate in some of the activities targeting them. Thus there is need to clarify each organisational roles and avoid duplication and confusion of farmers that might arise.

Chapter Seven: Summary of the Findings and Policy Implications

7.0 Introduction

This chapter presents the summary of the major findings. It also includes a section on the recommendations and conclusion of the study.

7.1 Summary of the Findings

The study investigated the factors that determine why some dairy farmers join the cooperatives while others refuse. The study also identified some benefits and challenges of being in the cooperatives and the support provided by various partners. Firstly, the study findings reveal that farmers join cooperatives because of various reasons. For example farmers join the cooperatives in order to get access to market and services, they also join in order to gain access to production and processing equipment, they also join in order to get access to training opportunities which are offered by the cooperative and other supporting organisations, and they also join in order to work with others and learn from each other.

Secondly the study findings also established that some farmers have not yet joined the cooperatives ,because of the (i)poor performance of the cooperatives which doesn't appeal to new members (ii) high membership charges which some farmers cannot afford (iii) lack of information about the cooperatives (iv) lack of commitment/laziness (v) some farmers are perceive cooperatives to be for rich farmers (vi) others were new farmers who had just received cows from the one cow per project and lastly (vii) some farmers were reluctant to join because they already access the cooperative services for example they indirectly sell their milk to the cooperative through middlemen.

Thirdly, findings revealed that the two dairy cooperatives helped their members to find market for the milk and accessed agro vet services and offered training opportunities. They also helped members to improve their breeds and to earn incomes.

Fourthly, the study also established that farmers both members and non members of cooperatives face challenges which include; irregular markets, low milk prices; lack of access to inputs such as feeds and agro vet services; extreme weather conditions such as droughts or heavy rains which affect milk production; they also have capacity gaps, since most of their staff and the management committees are under qualified and there is also low farmer participation in some cooperative activities as well lack of clear policy and institutional support from stakeholders.

Fifth, on the issue of participation and democracy, the study established, that participation of members was not good in the beginning but had improved. Concerning democracy, the study found out that the current cooperative leaders had good governance practices. For example they held free and fair elections, which were perceived to be impartial as they do not take sides with members and respect the cooperative constitution by observing the term of

office and conducted regular elections and ensure equal representation of men and women.

Sixth, on the aspect of accountability and transparency, the study established that the two cooperatives had improved a great deal. It was reported that the current leadership had improved the way they managed member funds. Evidence from the study indicates that the cooperative management with support from EADD Rwanda prepare monthly performance reports which provide members with information about the status of the cooperatives.

Seventh, on the aspect of cooperative management, the study established that the two cooperatives are managed by the management committees supported by staff. The management committees are elected through the general assembly and serve for three years. The management committee are not paid any salaries but are given transport and lunch allowances whenever they meet. The study established that the staffs are paid by the cooperative using contributions made by the members.

Eighth, concerning cooperative performance, the study findings, show that performance of the two cooperatives has not been good, this is reflected by the unstable milk prices which are often low, and low profitability of the cooperative business and the management inefficiencies which were reported by the respondents. That said, the study established that the cooperative performance had improved in 2011 especially in terms of pricing the cooperatives got a processor and gives the cooperatives better prices. Although the cooperatives expressed concern about the reliability of the processor since he had not signed contracts with them. Another improvement was reported at Isangano, where it was stated that the cooperative had been given electricity hence reducing its operating costs.

Ninth; the study findings also revealed that the two cooperatives receive various support many external actors who include both government institutions and nongovernmental organisations. Part of the support provided by the external partners includes trainings, registration, advisory and advocacy as well as donation of equipments and market linkages.

7.2 Conclusion and Recommendations

Based on the findings, it's evident that dairy cooperatives are indeed helpful to their members. However there is need for extra efforts to strengthen their activities in order to realise their potential. According to Parnell (2001) there is need to provide information on cooperative and avail competent mentors to help with recruitment, training and development and facilitate them access finance as well as develop a positive public policy framework to support cooperatives cited in (Birchall and Simmons 2008).

In order to increase farmer participation, there is need to create more awareness campaigns about the benefits of being in the cooperatives. The management of the cooperative and local government officials need to work together and refocus their efforts towards mobilising more farmers into the members the cooperatives. For example the cooperative, local government and other supporting organisations could give incentives to farmers which will appeal to them to join the cooperatives. This could be done for the new farmers

who recently benefited from the one cow per family program and claim not to have money for membership fees.

Clearly, there is need for government to support dairy cooperatives in the marketing of their produce. According to the findings, farmers still struggle with the market despite selling the milk to the processor. The lack of contract and the issue of unstable milk prices is a major concern for farmers. The government needs to work with the processor to address farmer concerns and strengthen marketing opportunities for the cooperative produce. For example the Government could consider addressing the market challenges raised by the farmers by streamlining the relationship between the processor and the cooperatives in order to ensure that the farmers get a reliable market.

There is need to address the issue of poor performance of the cooperatives. Although it was reported that cooperatives had improved on their performance, there is need for more action to improve cooperative performance. RCA and other actors could increase their vigilance and support to cooperatives to check for mismanagement. Also, more training should be provided on cooperative management and marketing. This will help to enhance the performance of the cooperatives. According to (Zeuli et al. 2004) educating cooperative members can help encourage them to become “more involved and committed to the cooperatives”. Hence more training should be given to stimulate interests and commitment of members.

In order to improve the performance of the cooperatives, there is need to recruit qualified staff. Thus cooperatives need to be helped to recruit qualified staff and train them to manage cooperative business. This would help to minimise on the losses and improve cooperative efficiency.

As noted earlier, farmers lack access to BDS services, which is need to improve their production, therefore government needs to mobilise and attract investors to invest in the dairy sector and provide some of the services and equipment that farmers need. Also, there is need to create more awareness about the benefits of the dairy cooperatives to members and target mobilisation. Campaigns could be done in areas which are considered to have many unregistered members.

Farmers also need to be supported to improve milk production and quality. According to the findings, farmers are constrained by poor milk quality which perhaps could be affecting the process of market acquisition. Therefore efforts should be made to help farmers improve on quality of milk so that they can be able to access market.

Lastly, all the institutions supporting the two cooperatives could consider collaborating together and harmonise efforts through public private partnerships which could increase their efficiency. The findings showed that most of the organisations offered trainings, linked farmers to the market. Collaboration may help to direct their interventions where it's most needed.

In conclusion, this study investigated the factors that determine some why some dairy farmers join the cooperative while others remain uncommitted to join. It also investigated the tangible benefits and challenges of being in the cooperatives. Findings revealed that farmers were motivated to join the cooperatives in order to; access market and input services and increase incomes, they also want to work with others and learn from them. While the factors for

not joining include; lack of membership fees, poor performance of the cooperatives and lack of awareness about cooperatives among others. The study also established that there several benefits associated with being in the cooperatives . For example cooperatives help their members to access markets and agro vet services and offer members access to learning opportunities. Furthermore the study established that dairy cooperatives and their members face several challenges. Some of these challenges include; irregular/ unreliable market, low milk prices, diseases, water shortage , poor performance of the cooperatives, lack of access to input services and lack of qualified staff. From the researcher's point of view, cooperatives if well managed have the potential to support their members as indicated in the findings. Indeed if cooperatives are managed well they have the potential to uplift social economic conditions of their members, because they create opportunities and link them to markets and provide financial services.

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Appendices

Table A.1- Matimba Cooperative Performance Reports (Jan to Sept 2011)



East Africa Dairy Development



Chilling plant Monthly performance report

Monthly figures		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Milk volumes		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Milk Purchase Liters	Actual performance	41,034	46,158	42,056	61,091	75,323	82,842	45,772	30,673	47,902	-	-	-
	AOP	42,000	43,000	44,000	45,000	45,000	43,000	39,000	35,000	32,000	38,000	40,000	42,000
Milk rejection	Actual performance	5,005	25	693	2,544	-	100	-	-	-	-	-	-
	AOP	-	-	-	-	-	-	-	-	-	-	-	-
Milk sales	Actual performance	36,029	46,133	41,363	58,547	75,323	82,742	45,772	30,673	47,902	-	-	-
	AOP	39,775	41,480	42,985	43,985	42,490	40,490	37,290	33,290	30,740	35,985	37,985	39,485

Profit and loss statement		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Milk sales	Actual performance	5,498,970	7,017,250	6,204,450	12,294,870	15,788,430	19,444,370	10,756,420	6,542,551	8,286,210	-	-	-
	AOP	6,761,750	7,051,600	6,447,750	6,597,750	8,998,000	8,598,000	9,722,500	8,722,500	8,035,000	7,697,000	7,337,300	6,717,450
Cost of sales	Actual performance	4,683,770	6,000,540	5,467,280	10,080,015	12,428,295	16,568,400	9,154,400	4,600,950	6,706,280	-	-	-
	AOP	-	-	-	-	-	-	-	-	-	-	-	-
Adm& op cost	Actual performance	1,524,800	1,000,535	1,008,000	1,519,400	1,658,860	1,601,276	2,177,300	1,209,350	1,764,200	-	-	-
	AOP	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA	Actual performance	(709,600)	16,175	(270,830)	695,455	1,701,275	1,274,694	(575,280)	732,251	(184,270)	-	-	-
	AOP	-	-	-	-	-	-	-	-	-	-	-	-
Net profit	Actual performance	(726,600)	16,175	(288,476)	632,055	1,641,275	1,274,694	(575,280)	732,251	(184,270)	-	-	-
	AOP	-	-	-	-	-	-	-	-	-	-	-	-

Ratios		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Operating margin	Actual performance	-12.9%	0.2%	-4.4%	5.7%	10.8%	6.6%	-5.3%	11.2%	-2.2%	#DIV/0!	#DIV/0!	#DIV/0!
	AOP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net profit margin	Actual performance	-13%	0%	-5%	5%	10%	7%	-5%	11%	-2%	#DIV/0!	#DIV/0!	#DIV/0!
	AOP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Table A.2- Isangano Cooperative Performance reports (Jan to Sept 2011)



Chilling plant Monthly performance report

Monthly figures		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Milk volumes										
Milk Purchase Liters	Actual performance	36,125	49,594	48,686	90,796	111,297	85,637	25,343	20,078	35,529
	AOP	75,000	60,000	54,000	54,000	51,000	48,000	21,000	19,500	19,500
Milk rejection	Actual performance	145	-	-	4,384	773	2,899	-	-	263
	AOP	-	-	-	-	-	-	-	-	-
Milk sales	Actual performance	35,980	49,594	48,686	86,412	110,524	82,738	25,720	20,046	35,266
	AOP	71,900	57,430	52,485	52,485	49,990	47,190	20,490	18,990	18,990

Profit and loss statement		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Milk sales	Actual performance	5,397,000	7,439,100	7,302,825	18,146,520	23,210,040	19,445,020	5,937,833	4,710,810	5,995,220
	AOP	10,785,000	8,614,500	7,872,750	9,447,300	8,998,200	9,438,000	4,712,700	4,367,700	4,367,700
Cost of sales	Actual performance	4,551,687	6,248,844	6,134,373	15,442,700	19,476,888	17,127,400	5,068,500	3,614,040	5,329,350
	AOP	-	-	-	-	-	-	-	-	-
Adm& op cost	Actual performance	705,412	923,184	1,243,352	2,680,679	2,229,200	2,302,476	2,249,850	1,023,200	1,425,750
	AOP	1,242,100	1,164,220	1,144,440	1,201,440	1,179,460	988,260	881,460	875,460	875,460
EBITDA	Actual performance	139,901	267,072	(74,900)	23,141	1,503,953	15,144	(1,380,518)	73,570	(759,880)
	AOP	899,900	697,280	731,310	1,537,860	1,530,740	1,441,740	303,240	264,240	264,240
Net profit	Actual performance	139,901	267,072	(74,900)	23,141	1,503,953	15,144	(1,380,518)	73,570	(759,880)
	AOP	899,900	697,280	731,310	1,537,860	1,530,740	1,441,740	303,240	264,240	264,240

Ratios		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Operating margin	Actual performance	2.6%	3.6%	-1.0%	0.1%	6.5%	0.1%	-23.2%	1.6%	-12.7%
	AOP	8%	8%	9%	16%	17%	15%	6%	6%	6%
Net profit margin	Actual performance	3%	4%	-1%	0%	6%	0%	-23%	2%	-13%
	AOP	8%	8%	9%	16%	17%	15%	6%	6%	6%

Table A.3- Farmer numbers in Matimba and Isangano Cooperatives.

Clusters	Dairy Companies/Sites	Description (Old/New CPs, TMs)	farmers register d-to date (cumulati
RWAMAGANA	Gahengeri Dairy Farmers Coop. (COOPAG)	N.CP	3077
	DUFACO (Gasi)	N.CP	1236
	Rubona Dairy Farmers Cooperative	N.CP	2818
	Dukundamatungo Dairy Coop- CDA (Kigabiro)	N.CP	535
	Murambi Dairy Farmers Coop (Mudacos)	N.CP	1576
	Kamirabose Dairy Farmers Coop (Muhazi)	N.CP	619
	Musha Dairy Farmers Cooperative	N.CP	1667
	Kiziguro Dairy farmers Coop (Ndatemwa)	N.CP	994
	Sub-Total		
NYAGATARE	Kirebe- Kamate Zirakamwa Dairy Coop	P.CP	930
	Matimba Tworore Kijyambere (MATWOKI)	P.CP	881
	Terimbere Mworozzi (Mbare)	P.CP	442
	Isangano Giramata Gacundezi(IGG)	P.CP	1170
	Kibondo Farmers Dairy Cooperative (KDF)	N.CP	1067
	Jyambere Mworozzi Coop (Ngarama)	N.CP	1154
	Rwabiharamba Dairy Coop	P.CP	1434
	Nyagatare Dairy Marketing Coop Society	P.CP	2754
	Sub-Total		

Questionnaire A.4- Used for Data Collection from Farmers

Dear Sir/Madam

I wish to request your attention to read and fill this questionnaire for my research assignment. This k research assignment aims to investigate why dairy farmers join cooperatives while others decline or drop out. I am requesting for your time to fill out this questionnaire to enable me complete my research assignment which is part of Post graduate Degree in Development Studies. The questionnaire is very brief and if you need my help to fill it out, I will be available. The information provided will be strictly confidential and your personal identities will be respected.

Thank you.

Yours faithfully.

Gasana Grace

Questionnaire (to be answered by the farmer)

Instructions:

- This questionnaire is to be filled by dairy farmer
- Please try to fill all the questions.
- Indicate what choice applies to you by ticking
- Whenever necessary explain your answers clearly.

1. What is your name[]
2. Where do you stay? District [] Sector[] Cell[]
3. Gender Female[] Male[]
4. Marital Status : Married[] single[] Windowed[]
5. a. Number of children[] b. Total no. of household members[]
6. Education level None[] Some primary [] Primary grade[]
Some secondary grade [] Secondary grade [] Vocational grade []
Some University [] University grade []
7. Are you a dairy farmer? Yes[] No[]
8. Are you member of the cooperative? Yes [] / No[]
9. If you answered yes in qn8, since when did you become a member of the cooperative? []

For members of the cooperative.

10. If you answered yes, in qn 8, why did you join the cooperative?[]
11. What did you have to do to become a member?[]
12. As a member of the cooperative, what is your role in the cooperative?[]
13. How does being in the cooperative benefit you as a dairy farmer?
Access to animal drugs [] Access to market for the milk []
Access to loan services [] Access to animal feeds [] other []
14. As a member of the cooperative what challenges do you face? []

For non- members of the cooperatives.

15. If you answered no, in qn 7, why did you decide not to join the cooperative?[]
16. As a non- member of the cooperative how do you access market or services for the milk? []
17. What are some of the challenges you face as a dairy farmer and a non- cooperative member? []
18. Do you receive any support from government or any development organisations or cooperative? []
Yes [] No [] Other[]
19. What sort of support did you receive?[]

For Members of the Cooperatives

Participation and Democracy in the Cooperative.

20. What is your perception about participation in the cooperative? []
21. Do you participate in the cooperative activity Yes[] No []
How do you participate in the cooperative activities? Attend meetings []
Decision making [] Election of new leaders []

- Farmer trainings/ seminars [] Events organised by the cooperative []
 Give examples [] Sharing of profits [] other []
22. How does the cooperative practice its democratic values?
 Holding regular elections [] Equal representation of all members []
 Observing the constitutional principles (rules and regulations)[] Other []
- Questions about Cooperative Leadership.**
23. How does the cooperative Leadership empower/ encourage members to increase their participation in the cooperative activities? []
24. How does the cooperative elect its leaders?(tick correct option)
 Through election [] Volunteering [] Self appointed [] other []
- Accountability and Transparency**
25. (i)What is your perception on the issue of accountability and transparency of the cooperative leaders? []
26. Do you think the cooperative management is accountable and transparent
 Yes [] No[]
27. If you answered yes or no, what are the reasons for your answer? []
- Recruitment of Members.**
28. How does the cooperative recruit new members of the cooperative?[]
29. Does the cooperative give any incentives to your famers? []
- Risk-sharing in Cooperative**
30. Does the cooperative experience any risks? Yes[] No[]
31. If yes, what risk does the cooperative face?[]
32. How do the cooperative/members manage risk? []
- Asset accumulation**
33. Do you have any assets that you have acquired as a result of being in the cooperative? Yes[] No[]
34. What assets have you got as a result of being in a cooperative?
 Land [] Cattle [] Water tank [] Mobile phone [] Motorbike []
 Bicycle [] Car [] New house [] others []
35. For cooperative members do you have any assets that you collectively own as members of the cooperative? Yes[] No[]
36. List the assets that are collectively owned with other members []
37. How do you use or share the assets that are collectively owned by all members? []
- Cooperative Efficiency**
38. (i)Do you consider the cooperative to be efficient Yes[] No[]
 (ii) In which way is it efficient? (Please explain) []
- General Perception about the Dairy Cooperatives.**
39. What is your view about the dairy farmers' cooperative?
 Do you find them (i) helpful [] (ii) Very helpful []
40. Depending on your answer in qn 36, explain your choice of answer[]

Questionnaire A.5-Questionnaire for the government official

Dear Sir/Madam

I wish to request your attention to read and fill this questionnaire for my research assignment. This research assignment aims to investigate why dairy farmers join cooperatives while others decline or drop out. I am requesting for your time to fill out this questionnaire to enable me complete my research assignment which is part of Post graduate Degree in Development Studies. The questionnaire is very brief and if you need my help to fill it out, I will be available. The information provided will be strictly confidential and your personal identities will be respected. Thank you

Yours faithfully.

Gasana Grace

Instructions:

- This questionnaire is to be filled by the government officials.
- Please try to fill all the questions.

- Indicate what choice applies to you by ticking.
- Whenever necessary explain your answers clearly.

1. Name of the official[]
2. Age of the respondent 25 to 30[] 30 to 35[] 35 to 40[] 45 to 50[] Other[]
3. Gender: Female[] Male[]
4. Marital status single[] Married[] windowed[]
5. Name of the organisation []
6. What is your job position?[]
7. Does your organisation/Institution support cooperatives? Yes [] No []
8. In which way do you support dairy cooperatives? []
9. Do you consider dairy cooperatives to be useful to their members?
Yes [] No []
10. If you answered yes or no give reasons for your choice of answer (tick your choice) Provide market[] (Source of Income[] Provide access to farm inputs[] Provide access to loans[] Other[]
11. What's your perception about participation of dairy farmers in the cooperatives? []
12. Do you think all members participate in the cooperative activities?
Yes [] No []
13. In your view, why do you think some members don't participate in cooperative activities? []
14. In which of the following ways do you think members participate in the cooperative activities? Electing of cooperative leaders[] Sharing of equity[] Meetings[] Taking part in the key decisions[] Other[]
15. How would you rate the leadership and management of the dairy cooperatives? a. Poor[] b. fair [] c. good[] d. very good[]
16. Do you think the cooperatives are democratic and respect the cooperative values? []
Yes [] No []
17. How democratic do you think they are?
Holding regular elections []
Equal representation of men and women []
Other []
18. Do you consider the dairy cooperative to be efficiently managed by the leaders? Yes [] No []
19. In what way do you think cooperatives are efficient or inefficiently managed? []
20. What's your view about issues of accountability and transparency of cooperatives? []
21. Do you think the cooperative leaders are accountable and transparent?
Yes [] No []
22. In what way do you think they are accountable and transparent? []
23. Any other comments you would like to make about cooperatives[]

Questionnaire A.6- Questionnaire for Cooperative Leaders

Dear Sir/Madam

I am undertaking this research for my MA Degree in Development studies. My research assignment aims to investigate why dairy farmers join cooperatives while others decline or drop out. I am requesting for your time to fill out this questionnaire to enable me complete my studies. The questionnaire is very brief and if you need my help to fill it out, I will be available. The information provided will be strictly confidential and your personal identities will be respected. Thank you

Yours faithfully.
Gasana Grace

Instructions:

- This questionnaire is to be filled by the cooperative leaders
- Please try to fill all the questions.

- Indicate your answer by ticking where necessary
- Explain your answer whenever possible.

1. Name of the respondent: ☐
Gender: Female ☐ Male ☐
2. Age : 20-30 ☐ 30-40 ☐ 40-50 ☐ 50-60 ☐ 60-70 ☐ 70-80 ☐
3. Marital status: Single ☐ Married ☐ Divorced ☐ Widowed ☐
4. Education: None ☐ Some primary ☐ primary grad ☐ Some secondary grade ☐ Secondary grade ☐ Vocational grade ☐ Some University ☐ University grade ☐
5. Location : District ☐ Sector ☐ cell ☐

Profile of the cooperative

6. What is the name of the cooperative? ☐
7. How many members does the cooperative have ☐
8. When was it started ☐
9. How many members where there? ☐
10. Is it registered? Yes ☐ No ☐
11. If you answered yes in qn 11, when was it registered ☐
12. If you answered no, why hasn't the cooperative been registered? ☐
13. Why was the cooperative started?
14. Give reasons for starting the cooperative ☐
15. What is the objective of the cooperative? ☐
16. What are the benefits of the cooperatives to its members? ☐
17. What are the achievements of the cooperatives since it started? ☐

Leadership of the cooperatives

18. Are you member of the cooperative? Yes ☐ No ☐
19. When did you become a member of the cooperative? ☐
20. What is your position? Chairman ☐ Vice chairman ☐ secretary ☐ Other ☐
21. How did you become a leader of the cooperative? Elected ☐
Volunteered ☐ Other ☐
22. What are your responsibilities as one of the leaders of the cooperative? ☐
23. As a leader, do you get paid for the work you do? Yes ☐ No ☐
24. What are the benefits of committee members? ☐
25. What challenges/ constraints do you face as a cooperative? ☐

Participation

26. What is your view about participation of members in the cooperative activities? ☐
27. How do members participate in the cooperative activities?
Elections ☐ Meetings ☐ Decision making ☐
Equity sharing ☐ Risk sharing ☐ Other ☐

Democracy

28. How democratic is the cooperative? Free and fair elections ☐
Observance of the rules and regulation ☐ Equal participation of men and women/youth ☐ Holding regular elections ☐ Accountable and transparent Leadership ☐ Other ☐

Recruitment of members

29. How does the cooperative recruit /attract new members into the cooperative? through mobilisation ☐ Members recruit neighbours ☐ Through

Local Government Mobilisation meetings []Through Advertising[]
Other []

30. Are there requirements for joining the cooperative? Yes [] No []
31. Depending on your answer in qn 30, what are the requirements for joining the cooperative?[]
32. How does the cooperative support/motivate new members to join the cooperative? Free registration []provide free services [] give examples []
Flexible payment [] Other []
33. Are there cases of farmers who join the cooperative and drop out later?
Yes [] No []
34. If your answer is No , why do they drop out of the cooperatives? []

Cooperative Benefits/Services

35. What services does the cooperative provide to members?
- a) Market and sell milk of members []
 - b) Offer credit services to members []
 - c) Provide veterinary services to members []
 - d) Provide animal drugs[]
 - e) Provide farm inputs []
 - f) Provide tractor and chopper machines to members[]
 - g) Other []
36. What are the benefits of being in the cooperative? []

External Support

37. Does the cooperative receive any support from government or any other organisations? Yes [] No []
38. What kind of support (does) the cooperative receive?[]

Cooperative Efficiency

39. What is your perception about the efficiency of the cooperative?
- a) Is it well managed? Yes[]No[]Explain[]
 - b) Is it profitable? Yes [] No[]Explain[]
 - c) Is there accountability and transparency Yes[] No[] Explain[]
 - d) Do you pay members on time? Yes[]No[]Explain[]

Market access

40. Do you have access to the market for the milk? Yes [] No[]
41. If you're answered yes, how did cooperative get access to the market for the milk?[]
42. If you answered no, in qn 40 what is the cooperative doing to address the problem?[]
43. When did the market problems get addressed? []

Access to farm inputs/ services

44. How does the cooperative get access to the services or equipments below?
Farm inputs such as feeds []drug[] AI services[]Credit services such as loans for members[] Milk cans[] Coolers[] Training services[] Other[]

Asset creation

45. Does the cooperative own any assets? Yes [] No []

46. What assets are owned by the cooperative? Land ☐ Tractor ☐ Building ☐
Coolers ☐ Cans ☐ Chopper machines ☐ Car ☐ Motorbike ☐ Other ☐
47. How do member share or access the assets? ☐
48. How are the assets used by the cooperative? ☐