**CO-OPERATIVES**

This is a registered organisation of people who decide to work together for mutual economic benefits.

**Types of co-operatives:**

1. Transport co-operatives

These deal with the transport of produce either for the members or for profit from other organizations e.g Uganda Co-operative transport union.

2. Credit savings co-operatives.

These deal with savings of members money and provision of small loans e.g Uganda Women Credit and trust fund.

3. **Consumer Co-operative**

These stock and sell commodities to members at subsidized prices and can also give financial assistance to members.

**4. Producer co-operatives.**

These are concerned with the marketing of the farmer /members produce e.g Busoga growers co-operative union, Masaka co-operative union.

**5. Trade and craft co-operatives**.

These are mainly concerned with building and construction work.

**Functions of co-operative societies:**

1. co-operatives can mobilize prices for agricultural products by buying produce during supply and selling it at times of scarcity.
2. They can increase investments for the members by buying buildings, estates, factories on behalf of the co-operators.
3. They eliminate wasteful competition and exploitation of farmers by middle men hence increasing the farmers profit margins.
4. They increase the bargaining power of members in the market and protect the weak ones.
5.  Marketing or selling farmers produce.
6.  Negotiate for fair prices for inputs and produce.
7.  Keep records of co-operative activities and inform members accordingly.
8.  Pay dividends to members.
9.  Give loans/credit in kind to members.
10.  Educate members on relevant co-operative matters.
11.  Provide/distribute inputs at subsidized prices.
12.  Some process inputs.
13.  Provide extension and machinery services.
14.  Some provide banking services to members.
15.  Some invest money on behalf of farmers.
16.  Advice members on new and better methods of production.

2.Agricultural parastatal bodies: Are bodies established by acts of parliament.

Include: boards, commissions, authorities and

corporations.

a) National irrigation board.

Develop and improve irrigation projects e.g. mwea tembere,Ahero, west kano,

perkerra etc.

b) National Cereals and Produce Board:

Functions

 Regulate and control production and storage of cereals

and pulses.

 Buy and store cereals.

 Advice the minister on production, importation and

exportation of produce.

c) The Kenya sisal board

**Principles of cooperatives**

These are the basic guidelines which the formation and day to day running of co-operatives is based.

**1.Open and voluntary membership.**

All people are free to join or leave the co-operative without hindrance or restriction of any kind.

**2.Democracy**

Co-operatives are run on democratic principles even when elections are half for the leaders i.e one man one vote.

3**.Interest and profit.**

The rate of return on borrowed capital should be low since the organisation is not a profit making one.

**4. Capital shares**

The financial capital for co-operatives is raised through the selling of shares to the members.

5. Co-operation

Co-operatives must work together with other co-operative organisatons in order to learn from each other.

**6. Neutrality**

Co-operatives must be neutral in politics religion or any other bias that can affect their operation.

**7. Promotion of members**

All promotions to places of high responsibility must be based on merit.

**8.Education**

Co-operatives must promote education for their members inorder to reduce the rate of illiteracy and also increase the skills needed in running of the co-operative.

**9.Continuous expansion**

A co-operative must have a continuous expansion in terms of members and physical facilities i.e building machinery.

**10. Share of dividends**

There is share of dividends after calculating how much a members has contributed to the co-operatives.

**The procedure of forming a cooperative society.**

- People or aperson put the idea to others and they discuss

- Meetings are held and interim committee formed

- Committee draws up a constitution

- Committee registers cooperative with commissioner of cooperatives through local

cooperative officer

- Minimum number is ten adult members.

**Factors necessary for co- operatives to succeed**

* Adequate funds or finance.
* Adequate volume of business.
* Clear goals and objectives known to all members.
* High level of entrepreneurship ability.
* No interference especially from government.
* Some amount of goodwill from all members.
* Political stability / security to facilitate production.
* Some high level of education for all members to create equality.

**Problems of co-operatives**

Inadequate skills of management amongst farmers which makes them incompetent in organizing co-operatives.

Inadequate funds to finance the work for co-operatives which limit the investments and expansion of the co-operatives.

Embezzlement and corruption by managers has reduced the growth of most co-operatives in Uganda.

Inadequate transport.

Some co-operatives do not have tracks that can easily transport produce to places where there is enough market.

Shortage of storage facilities

Most co-operatives in rural areas do not have enough stores with facilities like freezers that can help in storing produce.

Fluctuating prices for agriculture produce.

The fluctuation in prices more especially at the world market has affected the income for co-operatives hence their operators hindered.

High risks and uncertainties in agriculture.

These reduce the profit margin fore co-operatives which greatly discourages the farmers.

Political interference

Some politicians in government have influenced the decision in co-operatives which greatly affects their performance.

Political Instabilities

In places where there is insurgency its been very difficult for co-operatives to operate.

Dishonesty of members who refuse o pay back the loans or sale their produce to other co-operatives.

A high competition for private sector which has affected the amounts of profits that can be made.

**Solutions to the problems of co  operatives in Uganda:**

More centres for training managers should be set up to equip managers with skills.

Co-operative should access loans from banks and other lending institutions incase of lack of funds.

Constant auditing should be done so that the managers are made to be more accountable to the loses made hence reduce embezzlement.

Self discipline of politicians should be encouraged to reduce politicl interference in cooperatives.

Government should support co-operatives by operating the price stabilization fund incase of low prices.

Members borrowing money from co-operatives should present security inorder to reduce defaulting.

Carrying out seminars and in service courses to improve on the management.

Education of the farmers to ensure that they can adequately participate in the running of the cooperative.

Fighting political instability, sectarianism and tribalism to ensure that appointments are made on merit and that there is no in fighting in the cooperative.

Encouraging diversification to ensure that the infrastructure owned by the cooperative is not idle for part of the year.

Giving credits to co- operative societies to enable them purchase farm produce and finance their other operations.

Building the necessary infrastructure to enable the cooperative transport the produce to the storage or market centers.

Providing transport facilities e.g. Lorries to enable the cooperatives transport the produce economically.

Giving storage support programmes e.g. building large stores for the societies.

Facilitation of the farmers to interact with others farmers through trade fairs, conferences etc.

Provision of extension services to increase the quantity and quality of farm produce and so ease its marketing.

Subsidizing farm inputs supplied through the co- operatives to make them relarevant to the farmers since they would be able to get inputs at prices lower than the market prices.

Expansion of markets both local and external for broader markets of farm produces e.g. through PTA and COMESA.

Strict anti- corruption legislation to reduce corruption and embezzlement of co- operative finance.

**AGRICULTURE ECONOMICS**

This is the best to produce crops and animals maximum returns use of scarce resources.

**Production**

Its the creation of goods and services in order to satisfy mans needs.

***Factors of production***

This is an aggregate of free gifts of nature, human capacity and all sorts of man made aides that help in production. The factors of production include; land, labour, capital, interpreneourship.

**LAND**

Anything provided by nature under or over the earths surface. Land can lead to development in several ways:-

1. Its where buildings are constructed.

2. Its a source of minerals

3. It provides soil used in agriculture for crop growing

4. It can provide fuel in form of fire wood.

5. Its a source of all raw materials used in production

6. It can be taxed to provide revenue for the government

7. It can be mortgaged for loans.

**Land tenure**

These are rules and conditions governing the ownership of land in a specific area.

**Forms of land tenure**

1. Private ownership / free hold/ land lordship/ individual ownership.

2. State ownership

3. Communal ownership

4. Lease hold

5. Co-operative land tenure.

**Private land ownership**

This is where an individual puts action on a piece of land as his personal property by getting a title deed after registering it with government.

**Advantages**

1. Land owner can mortgage the land for a loan since he has a title deed.

2. The owner can use the land the way he likes for developed.

3. Land consolidation and planning becomes easy since what is owned by the farmer is known including the value.

4. It avoids land disputes since the land is well demarcated.

5. It acts as an incentive to farmers to improve the land.

6. The land owner can sell the land or part of it easily incase of financial constraints.

7. It safeguards against the position of the local community if land is in short supply.

**Disadvantages**

Tenants can easily be made hand less when the owner sels the land in their absence.

It encourages of Harding of land incase of absentee of land lord.

It may lead to political upraising against land lords who have tough rules on land usage.

**State ownership**

This is where land belongs to the state and no individual has control over it. People can be evacuated anytime without compensation when government wants to use the land.

**Advantages:**

1. It allows fast decision making in the use of land by the state.

2. It encourages large investments on land by government like plantations, factories etc.

3. Government can run out land to raise revenue for development

**Disadvantages**

1. People have no security over the land occupied since they can be evacuated any time.

2. Government can fail to utilize the land efficiently by awarding it to political allies.

3. It can be a source of political on-rest when people are sent away from government land.

**Communal ownership**

This is where land is owned by the community as opposed to individuals.

**x-teristics of communal land ownership**

1. Its common in the pastoral communities of East Africa

2. Land is neither bought or sold.

3. Every member of the community has a right to use land

4. Land is allocated to individuals by clan leaders or village elders.

**Advantages**

1. Every member of the community has access to land irrespective of his social and economic background.

2. There is efficient use of land since abandoned land can be given to members of the community.

3. Each person can cultivate or graze on the communal land with no restriction.

4. There are no cases of landlessness.

**Disadvantages**

1. It doesnt give any incentives for improvement of land by the farmer.

2. There is a tendency of over stocking and over grazing leading to erosion.

3. Its difficult for a farmer to use the land to get a loan since he has no title deed.

4. Increasing population leads to land fragmentation since children have to share their fathers land at death.

5. Continuous cropping may lead to destruction of soil structure.

6. Its difficult to improve livestock since controlled breeding is hard to practice on such land.

7. Pest and disease control is very difficult since farmers are difficult to mobilize under such a system.

**Lease hold**

Here land is given to the tenant by the state or the landlord for a specific period

of time like 49years and 999years.

**Advantages**

1. The tenant has security of tenure

2. The tenant can use the title secured to acquire a loan for development.

3. The tenant can rent out the land to get extra income.

4. It minimizes land disputes because of proper land demarcation

5. It encourages the growing of perennial crops.

6. The tenant is encouraged to carryout land conservation measures.

**Disadvantages**

They are the same as private ownership.

**Co-operative land tenure**

This is where land is owned by individuals who organize themselves into a

co-operative.

**Advantages**

1. The land is used efficiently for productive purposes.

2. The co-operative organisation can use the land as security to acquire a loan

3. Group ownership of land is a source of security.

4. There is collective work on the land which leads to high production.

5. Members can share profits and losses that are made.

**Disadvantages**

1. Individuals cannot easily get loans for production

2. Decision making is difficult as far as usage of land is concerned.

**LAND REFORMS**

This is an organized action designed to improve the structure of land tenure and land use.

**Examples of land reform**

1. Land consolidation

2. Land registration

3. Land re-distribution

4. Settlement and resettlement schemes.

**Objectives of land reform**

1. Achieving high levels of output through security, incentives and investments.

2. Achieving flexibility of farming patterns to meet changing natural market demand.

3. Increasing productivity of both land and labour.

4. Achieving effective utilization of national land resources which can include settlement of people on an used land and introduction of irrigation.

5. Encouraging production from the market as opposed to subsistence

6. Encouraging conservation and improvement of land.

**Settlement and resettlement skills**

**Reasons for setting up**

To ease population pressure by removing people from highly populated places to those with sparced population.

To prevent pest and disease attack e.g removing people from places infested with tsetse flies.

To increase land for agricultural production by removing less productive people from the land.

To facilitate mechanization of availing more land to the people.

To settle the land less people who may become a problem within the population.

To resettle displaced people who might have been displaced by natural calamities and political insures.

To encourage self employment to people after being given land.

To resettle unemployed people so as to reduce rural-urban migration.

To carryout research in agriculture activities in resettlement schemes.

Train youth in improved methods of farming so as to improve their welfare.

**Land registration**

This is where a farmer comes to an agreement with government over the ownership and use of land through the acquisition of land title deed.

**Importance:**

The land owner has security of tenure hence can develop the land.

He can use the land tilte to obtain loans.

Land owner can easily rent out land to get extra income.

It minimizes land disputes because of proper land demarcation

It encourages land development through establishment of perennial crops

Land owner is encouraged to carryout soil conservation measures in order to protect his land.

It is easy to sale or transfer the ownership of land.

**Procedure of obtaining a land tittle deed**

1.The individual buys land from the owner of the land.

2. A sales agreement form/transfer form is signed between the seller and the buyer.

3. The land tittle application form is signed by the nerv land owner.

4.The stamp duty is paid by the new land owner.

5. The forms are evaluated by the land registrar.

6. The land is surveyed by the land surveyor giving sufficient details of existing boundaries.

7. The land tittle deed is processed by the new land owner.

8. The land tittle deed is issued by the registrar of land as evidence of legal ownership

**Land consolidation**

This is the pooling of small pieces of land to form a large and more productive land when put together.

**Steps in land consolidation**

Establish land ownership

Measurement of the plot to be consolidated in order to establish their size.

Describing the nature of the fragment

Valuing the fragments to be consolidated

Recording each fragment of land for further consideration issuing of the title for the consolidated land or fragments.

**Advantages**

Saves time that could have been wasted moving from plot to plot during farm operations.

Makes supervision of farm operations easy and less costly since they are in one place.

It encourages mechanization on a farm since the land is big enough which makes the practice economical.

Agricultural production is increased due to the size of the land.

Its easier to provide extension services on the consolidated land.

Thefty of farm produce is reduced due to improved supervision.

Transport costs of the produce from the garden is reduced since all products are in oneplace.

Its easier to control pests and diseases on the farm.

Its easier to carry out soil and water conservation measures.

**Disadvantages**

It may make people land less.

It may cause political unrest among the population

Its a very costly exercise since each fragment is of a different value.

**LAND FRAGMENTATION**

This is where agricultural farm land is split into small plots of different places belonging to one farmer.

**Causes of land fragmentation**

An increasing population in the country making land to be scarce

Traditional system of land inheritance wher sons share the fathers land upon his death.

Limited income among the farmers which forces them to buy small affordable plots.

Farming systems like shifting cultivation which allows farmers to move from place to place.

**Effects of land fragmentation**

Its difficult to supervise all plots effectively.

A lot of time is wasted in moving from plot to plot.

farm planning is difficult due to the small size of the fragments.

It encourages low agriculture production.

Thefty of farm produce is common due to reduced supervision.

Agricultural mechanization is difficult due to the small size of the plots which are scattered.

Its difficult to offer agricultural extension services on such scattered plots.

Its difficult to carry out soil conservation measures due to the distance involved.

Pest and disease control on the fragments is difficult.

Its difficult to control grazing since farmers have small plots that are prone to overstocking and overgrazing.