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PRODUCTION, MARKETING AND THE CO-OPERATIVE

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1. INTRODUCTION

The Co-operative Movement in Kenya handles over 60 per cent of Kenyan Agriculture and almost 100 per cent Commercial Small Scale Agricultural marketing; for example coffee, cotton and maize. It is the only known means so far of handling coffee from production to marketing.

The Kenyan Co-operatives are organized in various levels National, District and Locational with the Kenya National Federation of Co-operatives as the apex organization. The Co-operative Bank of Kenya handles the financing of co-operative projects.

1.1 CHARACTERISTICS OF KENYAN AGRICULTURE

Majority of Kenyan Agriculture is small scale. Due to variation of Agro-ecological zones, different areas grow different crops.

The Central Government handles the greater part of agricultural extension. Most of farm inputs are imported and therefore expensive. The minimum hectarage per coffee factory is ten (10) hectares while average coffee holding is 0.2 hectares. The small scale farmer is in a world of competition especially from large scale farmers and businessmen. Usually, he has no collateral.

2. CO-OPERATIVES IN AGRICULTURAL SECTOR

Most of the Co-operatives are classified as Marketing Co-operatives. Any viable marketing organization must address

itself to problems faced by producers to be able to appreciate the value of produce and reduce costs of production so as to influence buying price. The co-operatives have one clear objective - Maximize on economies of scale.

2.1 FACTORS AFFECTING PRODUCTION

2.1.1 What to produce enterprise combinations.

2.1.2 Appropriateness of technology used.

... Variety/breed has to be right in terms of yields, quality, disease and pest resistance and farmers experience.

.... Farm tools - (tractor ax plough, hand tools, milking machines).

All the above have to be consistent with the situation.

2.1.3 Farm Management extension ... the technology has to reach the farmer in usable form.

2.1.4 Farm inputs ... Are they available on time, in right packages, quality. Are they the best in existing circumstances ... Mechanical driers ... alkaline or acidic fertilizers in coffee for instance.

2.1.5 Communication ... Roads and Telephones are useful in delivering inputs and outputs and services, that is, artificial insemination, cut flowers, veterinarian etc.

2.1.6 Credit ... Availability.

... Conditions/Terms.

2.2 Co-operatives as a means in raising farmers income.

Any organisation that addresses itself to problems as enumerated above will reduce costs and therefore higher returns to farms

THE KENYAN CO-OPERATIVE

Co-operative Bank of Kenya

- 200
- Loans.

M. CO-OPERATIVE UNION LTD

120 Member Primary Co-operatives.

- Loans;
- Farm Inputs;
- Investments;
- Banking facilities for members;
- Education and Training;
- Liason with various professionals and Agencies;
- Price negotiations.

N. CO-OPERATIVE SOCIETY LTD

1,000 farmer members

- Loans (usually in kind);
- Buying of farmers produce and selling;
- Farm input .. stores for resale;
- Production profit in a central farm;
- Purchase of property;
- Dividends in surplus accrue.

Co-operatives play a major role in Agriculture. It is a major boost from subsistence to commercial farming. Poor farmers are able to procure otherwise difficult inputs in farming and market his produce just like any big producer. He is able to compete for resources more effectively as a group. Purchase of properties as members afford the collateral and so is able to acquire loans. It is important to note that decisions are made by majority vote with one man one vote.

Thank you.

Co-operative Bank of Kenya - ...

200 Loans

FACTORS AFFECTING PRODUCTION

2.1.1 ... 2.1.2 ... 2.1.3 ... 2.1.4 ... 2.1.5 ...

Thank you.