

Factors affecting effective performance of rural producers' organizations in the Teso farming system, Uganda

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Abstract

Rural Producers' Organizations (RPOs) have a vital role to play in Uganda's efforts to improve the peoples' standard of living. Recent developments like the launching of the Plan for Modernization of Agriculture (PMA) and policy reforms notably decentralization, privatization and liberalization reinforce this role. In the PMA, RPOs are prioritised as the main avenues through which farmers, as rural producers will be empowered to access and control services. However, despite their existence in Uganda for long, experience shows that RPOs have been largely unsuccessful in enhancing development of the rural people. This study was conducted in the Teso Farming System of (Eastern) Uganda covering the districts of Pallisa, Kumi and Soroti. The objective(s) of the study were to (i) characterize the existing RPOs and determining their respective capacities for achieving objectives (ii) examine linkage mechanisms existing between the RPOs and other players in rural development. Thirty RPOs, ten per district, were selected based on existing apex bodies. The study used focus group discussions guided by a rapid appraisal checklist. Findings indicated that a variety of functions, seventeen (17), are served by the different categories of RPOs. The main ones included provision of training in agriculture and other related fields (76.7%), procurement of inputs for members (56.7%), provision of market information (46.7%) and marketing (40%) and credit (40%). Linkages are vital for effective achievement of purposes and most RPOs (80%), had established them with extension and local policy making institutions. Many RPOs lacked linkages with credit (83.3%) and marketing institutions (56.7%), yet they are perceived as key players in development efforts. Main constraints affecting their performance included inadequate access to resources (96.7%), lack of technical knowledge/ skills in running RPOs (66.7%), lack of own income sources (70%), insecurity (63.3%) and lack of adequate markets (60%). A prediction of main issues that potentially impact on improvement of quality service provision included having plans in addition to establishment of adequate and effective market linkages. On the basis of these findings, recommendations aimed at enabling RPOs play their enhanced role in development become necessary. These include, among others, emphasis on development of appropriate policies, bye-laws and plans to guide their management, establishing income generating activities and establishing market linkages as well as linkages with other RPOs.

Key words: Impact, linkages, policy reforms rural development

Introduction

Rural Producers' Organizations (RPOs) potentially have enormous capacity to contribute to rural development and livelihood security in developing countries (Collion and Rondot, 2001). In Uganda, this is particularly important given that the country is implementing a comprehensive multi-sectoral Plan for Modernization of Agriculture (PMA) as a strategy for increased agricultural production and poverty eradication (MAAIF, 2000). PMA advocates for participation of stakeholders, especially rural producers through organized institutions. The country is also undergoing political and economic reforms characterized *inter alia* by decentralization, privatisation, market liberalization and tax reforms, all implying that government transfers to, or shares with, civil society many of its previous responsibilities (Collion and Rondot, 1998).

A variety of Rural Producers' Organizations exist in Uganda, with variations in area of jurisdiction, structure, activities, linkage mechanisms and history (Carney, 1996). Notable among those are the Uganda National Farmers' Federation (UNFFE), NGO Fora and other private-based initiatives, Research and development-led groups, the Co-operative movement and local initiatives. However, past experience indicates that these organizations (or groups) have largely been unsuccessful in terms of playing their role in the agricultural development mix, leading to chronic failure of agricultural productivity improvement (Putman, 1993; Carney, 1996; Collion and Rondot, 2001). This gives rise to the following questions: (i) What are the characteristics of the existing RPOs and what is limiting their performance? (ii) what linkage mechanisms exist between these RPOs and other players in rural development? What is limiting their performance and how can this be

overcome? (iii) How can their role in development be enhanced? This study was therefore conducted to enable depiction of the various RPOs existing in the Teso Farming system of Uganda focusing on functions, existing linkages and constraints to effective performance.

Materials and Methods

Group discussions with thirty Rural Producers' Organizations in Pallisa, Kumi and Soroti districts were used for this study. Selection of the districts was purposive, focusing on the Teso region. The rest of the districts in the region were regarded as being insecure at the time. A random sampling procedure was used for selection of the RPOs. Prior consultations were made with the district-level offices with information on existing RPOs in the districts namely, directorates of Production and Marketing (departments of agriculture; trade and industry) under the local government establishment, district fora for Non-governmental Organizations (NGO Fora), branches of Uganda National Farmers' Federation (UNFFE) and Uganda National Agricultural Advisory Services (NAADS). These provided updated lists of RPOs from which study samples were selected using random numbers generated using the Excel Computer Program. Ten RPOs were selected from each district making a total of thirty for the study (Table 1).

For each RPO, data was collected through focus group discussions with the entire leadership. The information sought consisted of history, activities done by the RPO, policies governing the RPO, linkages with other players in development and constraints faced by each RPO. A rapid appraisal checklist was used for guidance of the discussion. Discussions were conducted in the local dialects (Lugwere, Luganda and Ateso) and responses recorded in English. This activity was conducted between December 2003 and January 2004. Data was then sorted, coded and entered into the SPSS-PC and Excel computer programs. Thereafter, it was analyzed using frequencies, cross tabulations and logistic regression.

Results and discussion

Profile of RPOs in the Teso region

Results revealed that the majority of the RPOs (66.7%) had been internally initiated for development purposes. Of those that were initiated with outside support, more than half were under the UNFFE category. The rest of the RPOs except the NGO-led had at least one of them initiated by outside support. All NGO-led RPOs were started without external support. All RPOs in the category of UNFFE and Self-help served members in an area not exceeding a parish, whereas co-operatives and NGO-led groups mainly served areas exceeding a parish. Of the 30 RPOs, 15 (50%) reported having changed purpose, or emphasis of activity since inception. The idea of groups changing purpose is not yet certain

Table 1. Categories of Rural Producers' Organizations involved in the study

District	Category					Research-Led
	UNFFE	NGO Forum Co-operatives	NAADS	Self help	Research-Led	
Pallisa	4	3	-	-	3	10
Kumi	2	3	3	-	1	10
Soroti	2	3	2	2	1	10
TOTAL	8	9	5	2	5	30

but there is some support for the view that existing groups seem to build their past experiences by taking on new activities rather than forming new organizations (Place et al, 2002). The average age of the RPOs was 4.6 years, with only 6 formed more than 10 years prior to the study. With regard to membership numbers, 6.7% of the RPOs reported fluctuations in membership numbers, 23.3% reported no drastic change, 26.7% reported decreasing trends whereas 43.3% reported increasing trends in membership. The average membership of the RPOs was 109 with women membership reported in all RPOs. The highest number of members by gender was 240 for males and 840 for females. However, three of the RPOs had no single male member.

With regard to sources of funding for RPOs, the main sources included membership fees (96.7%), sale of produce (56.7%) and donors (53.3%). RPOs in the UNFFE dominated those that rely on membership fees as a source of income whereas NGO-led RPOs were the majority of those that relied on donors for funding of their activities. All categories had a significant number of members relying

Table 2. Range of functions served by RPOs in the Teso Farming System (n = 30)

Function	Frequency	%
Agricultural (crop) training	23	76.7
Input procurement	17	56.7
Livestock management training	14	46.7
Provision of marketing information	14	46.7
Provision of credit	12	40.0
Provision of bulk market for produce	12	40.0
Communal digging and other farm operations	12	40.0
Environment training	10	30.0
Seed multiplication	10	30.0
Health and Nutrition training	7	23.3
Participation in development research	5	16.7
Managing a revolving inputs scheme	5	16.7
Sensitization on conflict resolution	4	13.3
Animal traction training and services	3	10.0
Food processing	3	10.0
Provision of water services (water sources construction, equipment...)	3	10.0
Sensitization on human rights	2	6.7

Table 3. Functions served by RPOs desegregated by RPO category (n = 30)

Function	%					
	Category					
	UNFFE	NGO	Co-op	NAADS	SH*	RL*
Agricultural (crop) training	23.3	23.3	6.7	6.7	16.7	-
Input procurement	10	16.7	13.3	6.7	6.7	3.3
Livestock management training	6.7	16.7	3.3	6.7	10.0	3.3
Provision of marketing information	13.3	6.7	10.0	6.7	6.7	3.3
Provision of credit	13.3	10.0	10.0	-	6.7	-
Provision of market opportunities	10.0	10.0	10.0	3.3	3.3	3.3
Communal digging and other farm operations	16.7	-	3.3	3.3	10.0	-
Environment training	3.3	16.7	-	6.7	3.3	-
Seed multiplication	3.3	10.0	3.3	3.3	10.0	-
Health and Nutrition training	6.7	10.0	3.3	3.3	-	-
Participation in development research	-	3.3	3.3	3.3	3.3	3.3
Managing a revolving inputs scheme	6.7	6.7	3.3	-	-	-
Sensitization on conflict resolution	3.3	3.3	-	-	6.7	-
Animal traction training and services	3.3	3.3	3.3	-	-	-
Food processing	-	3.3	3.3	-	3.3	-
Provision of water services (water sources construction, equipment...)	-	6.7	3.3	-	-	-
Sensitization on human rights	-	6.7	-	-	-	-

SH- Self-help RPOs; RL- Research-led RPOs

Table 4. Linkages between RPOs and other development partners (n = 30)

Linkage partner	Frequency	%
Other RPOs	29	96.7
Policy makers	27	90.0
Extension services	24	80.0
Apex bodies/headquarters	20	66.7
Input supply systems	16	53.0
Marketing systems	13	43.3
Research organizations	8	26.7
Credit systems	5	16.7

Table 5. Linkages between RPOs and other development partners desegregated by RPO category (n = 30)

Linkage partner	%					
	Category					
	UNFFE	NGO-Forum	Co-op	NAADS	SH*	RL*
Other RPOs	26.7	26.7	16.7	6.7	16.7	3.3
Policy makers	20.0	30.0	16.7	6.7	13.3	3.3
Extension services	20.0	23.3	10.0	6.7	16.7	3.3
Apex bodies/headquarters	26.7	10.0	10.0	6.7	10.0	3.3
Input supply systems	10.0	10.0	10.0	3.3	16.7	3.3
Marketing systems	10.0	10.0	10.0	6.7	3.3	3.3
Research organizations	3.3	6.7	6.7	3.3	3.3	3.3
Credit systems	3.3	3.3	6.7	-	-	-

SH*- Self-help RPOs; RL*- Research-led RPOs

Table 6. Constraints faced by RPOs in the Teso Farming System (n = 30)

Constraint	Frequency	%
Lack of resources	29	96.7
Lack of RPO income generating activities	21	70.0
Technical knowledge	20	66.7
Adequate linkages	19	63.3
Insecurity	19	63.3
Viable markets	18	60.0
Apathy among members	4	13.3
Integrity of leadership	2	6.7
Emigration of elite from community	1	3.3

Table 7. Constraints faced by RPOs in the Teso Farming System desegregated by RPO category (n = 30)

Constraint	%					
	Category					
	UNFFE	NGO	Co-op	NAADS	SH	RL
Lack of resources	26.7	30.0	13.3	6.7	16.7	3.3
Lack of RPO income generating activities	20.0	26.7	6.7	6.7	10.0	-
Technical knowledge	23.3	20.0	3.3	3.3	16.7	-
Adequate linkages	16.7	20.0	10.0	3.3	13.3	-
Insecurity	13.3	16.7	16.7	6.7	6.7	3.3
Viable markets	20.0	20.0	3.3	-	16.7	-
Apathy among members	6.7	3.3	3.3	-	-	-
Integrity of leadership	3.3	3.3	-	-	-	-
Emigration of elite from community	-	-	3.3	-	-	-

SH- Self-help RPOs; RL- Research-led RPOs

Table 8. Logistic regression analysis of probability of quality service improvement by RPOs in the Teso Farming System (P≤0.05)

Factor (independent variable)	B	Standard error	Wald	R	Exp (B)
Availability of policies in RPO (POLICY)	2.58	1.23	4.35	0.24	13.15
Linkages with market systems (LINMKT)	2.49	1.19	4.40	0.24	12.02
Linkages with other RPOs (LINKRPO)	9.88	36.68	0.07	0.00	19564.15
Constant	-12.27	36.72	0.11	-	-

This model was generated using stepwise forward selection (maximum likelihood method at the 0.05 significance level)

on sale of produce for income. However, RPOs reported irregularities in the sources ranging from 33.3% for membership fees to 26.7% for both sale of produce and donors. The problem of regularity of funds from members was dominant between UNFFE (10%), NGO-led (16.7%) and Self-help RPOs (6.7%). There was no visible difference in variation of irregularity of other sources of income for the RPO categories. Over 50% of the RPOs had formal features, which included registration, constitution, byelaws and plans.

Functions served by RPOs in the Teso region

RPOs serve a variety of functions in the area, totaling seventeen (Table 2). The most common function was training related, in the fields of agriculture (76.7%), livestock management (46.7%), environment (30%) and health/nutrition (23.3%). Other notable functions included input procurement for members (56.7%) and provision of marketing information and marketing services (46.7% and 40% respectively).

Further analysis of the information revealed that the extent to which some of the functions are executed differs by RPO category (Table 3). Whereas training and provision of marketing information was common for all RPOs, communal digging was involved in more by RPOs under UNFFE and self-help bases. Other functions like food processing, seed multiplication, sensitization on human rights and water provision were mainly dominated by NGO and Co-operative-based RPOs. The existence of diverse activities served by the various categories of RPOs can be explained by the complex livelihoods of their members in an environment partly typified by deficits of public action aimed at improving availability of adequate public goods (Bosc et al, 2002). Regardless of their size and scope, virtually all RPOs share an interest in capacity building among their members and institutions (Anonymous, 1999), a possible explanation for the ubiquity of training across all RPOs in the study area.

Linkage mechanisms in the Organizations

Rural Producers' organizations of all categories essentially need to have and maintain linkages with other players in development if they are to execute their activities effectively (Eponou, 1996). Tables 4 and 5 show linkage mechanisms that exist between the RPOs and other development partners. Linkages were found to exist in over 50% of the RPOs with other RPOs for purposes of networking (96.7%), local policy makers (Local Council III and district level)- 90%, extension services (80%), apex bodies (66.7%) and input supply systems (53%). The least number of linkages had been established with credit systems (16.7%). It is also noteworthy that at least one RPO across all categories had linkages with any of the listed players except in the case of credit systems, where no linkages existed with RPOs in the NAADS, self-help and research-led categories. The situation existing whereby at least each RPO has linkages

with other players in development signifies the value attached and the realization of the need to work with others in development, which is a prerequisite for achieving success (Uphoff *et al*, 1998).

Constraints faced by the Organizations

Rural Producers' Organizations face a number of constraints in the course of attempting to contribute to development (Tables 6 and 7). The most common constraints included inadequate resources- financial, physical and otherwise (96.7%), lack of viable (effective) group income generating activities-IGAs (70%), lack of adequate technical knowledge in the respective fields of concentration (66.7%), inadequate linkages with other development stakeholders (63.3%), insecurity (63.3%), lack of appropriate markets (60%) and apathy by some potential and current members (13.3%). The constraint of inadequate resources was crosscutting for all RPOs whereas the constraints related to IGAs, technical knowledge and linkages were common to the majority of the RPOs. It is therefore noteworthy that although linkages exist between such partners like extension, RPOs are still constrained with technical knowledge, meaning that specific RPO strengthening interventions may be needed.

Further still, with regard to access to marketing and marketing services, some groups decried an exploitative marketing atmosphere which in the end demoralizes them as was captured in these statements:

“We are an RPO involved in honey production. However, when we take our products to the market, most potential buyers want to ‘taste’ first before deciding whether to buy or not. After tasting, some do not buy and others buy small quantities. In the end, we usually end up losing half of the produce on the market” (female leader of an RPO in Pallisa district) “Middlemen sometimes exploit us when it comes to payment. After promising to buy, you agree on one price. When they come and by this time the produce has been bulked and ready for the buyer(s), they offer another price, always lower and threatening to back out if there is disagreement at this level” (male member of an RPO in Soroti district).

Relationship between quality of services and selected factors of RPOs

Regarding the relationship between the perceived quality of services offered (members' perceptions that they are achieving their objectives) and RPO characteristics, prediction using a logit model was used (Table 8). The model was used to predict the probability of the likelihood of an RPO offering quality services to its members and the independent variables responsible for the probabilities. The following factors were considered in developing the prediction: having policies (constitution, bye-laws, plans), linkage with extension, credit service providers, input suppliers, viable market opportunities, apex organizations, other RPOs in the area and having a good security condition.

The analysis revealed that three factors are significantly ($P \leq 0.05$) related to quality of services offered by RPOs. These included having policies, bye-laws and plans in the RPO (e.g. constitution) that are followed; linkage with other RPOs and linkage with viable market opportunities.

From the model, the probability of an event happening ($P(\text{event}) = (1 + e^{-z})^{-1}$, where $z = B_0 + B_1 X_1 + B_2 X_2 + \dots + B_n X_n$ (B_0 is a constant, $B_1 - B_n$ are the coefficients and $X_1 - X_n$ are the corresponding independent variables; e is the natural logarithm approximately equal 2.718).

This derivation was thus used to predict the probability of quality improvement in the functions/services of the RPOs, based on the model resulting from Table 8. The independent variables have dummy equivalents of 1. From the table, $z = -12.27 + 9.88 * \text{linkage with other RPOs} + 2.49 * \text{linkage with viable market opportunities} + 2.58 * \text{having policies in the RPO} = 2.68$. Therefore, $P(\text{improvement of quality service delivery by RPOs}) = (1 + e^{-2.68})^{-1} = 0.936$. By assuming absence of any of the conditions in the model, it is possible to predict whether a given variable is solely responsible for occurrence of an event. The general decision rule is that if the estimated probability of the event is less than 0.5, its occurrence is not probable and if greater than 0.5, the prediction is that it will occur (SPSS, 1994).

So, assuming absence of linkage with other RPOs, $z = (-12.27 + 2.49 + 2.58) = -7.2$; $P = 0.007$. Likewise, if there is no linkage with viable market opportunities, $z = -12.27 + 9.88 + 2.58 = 0.18$; $P = 0.54$. In the same vein, in absence of policies in the RPO, $z = -12.27 + 9.88 + 2.49 = 0.1$; $P = 0.53$.

From the above calculations therefore, absence of linkages among RPOs does not lead to failure to predict the probability of an RPO being able to offer quality services whereas absence of viable market opportunities and policies in RPOs to guide management of RPOs do.

Conclusion

Rural Producers' Organizations have a vital role to play in rural development efforts. In Teso region, RPOs are of various categories in terms of history, membership numbers and trends. They play a variety of roles ranging from provision of training to members to sensitization on human rights. They also have linkages with other partners in development mainly extension, policy and other RPOs. They are also constrained by many factors notably inadequate knowledge and resources, lack of viable (effective) group income generating activities and insecurity. A prediction of main issues that may potentially lead to improvement in quality of services provided by these RPOs point at having policies and bye-laws, including plans that could lead to improved performance in addition to establishment of viable (adequate and effective) market linkages. This study suggests a need for RPOs to emphasize development of appropriate policies and bye-laws to guide

their management, empower themselves or get empowered to have viable income generating activities and establishing viable market linkages as well as maintaining linkages with other RPOs with similar or related aspirations

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