



**STUDY ON INDIVIDUAL MEMBERS SHARE CONTRIBUTION  
TO THEIR PRIMARY COOPERATIVES:**

**The case of Admas Farmers Cooperatives Union; Guraghe Zone,  
SNNPR**

**A Thesis Proposal Submitted in Partial Fulfillment for the Requirement of  
MA Degree in Rural Development**

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## ACRONYMS AND ABBREVIATIONS

AFCU	Admas Farmers' Cooperative Union
ATA	Agricultural Transformation Agency
CBE	Commercial Bank of Ethiopian
DBE	Development Bank of Ethiopian
FFSC	Farm Financial Standard Councils
GTP	Growth and Transformation Plan
MoA	Ministry of Agriculture
MOFED	Ministry of Finance and Economic Development
PCs	Primary cooperatives
SNNPR	Southern Nations, Nationalities and Peoples Region
VIF	Variance Inflation Factor
WTA	Willingness To Accept
WTP	Willingness To Pay

## **1.1. Background**

Agriculture is one of the pillars of the Ethiopia economy. The overall economic growth of the country is highly correlated to the success of agricultural sectors. However, this sector is poor in production and productivity to bring sustainable changes in the living standards of the community (Muthyalu, 2013). Agricultural cooperatives are an appropriate tool for higher productivity and agricultural development through, playing an important role in supply agricultural input, agricultural output marketing and through creating mechanized agricultural system which can bring sustainable changes in the livelihood throughout the country (Alema, 2008).

One of the main bottlenecks of Ethiopian agricultural cooperatives is lack of finance, which they need to modernize their practices and purchase machinery. Lending institutions to the agriculture sector was still from the state-owned Commercial Bank of Ethiopia (CBE) and Development Bank of Ethiopia(DBE),which provided 99 percent of the agriculture loan (USAID, 2010). According to Tarekegn (2012), the capitalization of agricultural cooperatives is very weak. In the past, only a few cooperatives dare to ask credit to banks and a large part was rejected because of a lack of internal capital.

The essence of cooperatives performance is their strong membership commitment and support. Cooperative success not only relied on the strength and efficiency of board of governance and management, but more importantly on membership. Members contributed to the financial strength, members supported and participated in cooperative activities. Without doubt, members played a role in the success or failure of their own cooperative. Similar to other business enterprises, cooperative enterprises require capital and other resources to enable them to operate smoothly and achieve their objectives. As a self help organization, cooperative financial strength lies on the membership. The internal sources of capital at times are more important and inexpensive compared to other sources (Othman et al., 2010).

There are different modalities to build own equity within cooperatives. Internal capital is normally drawn from the members' contribution in shares, member account, member loan,

membership fee, retained earnings and proportional capital return based on transaction level of members. It is important to identify which options can be for Ethiopian unions and cooperatives to build own equity. Members share increment naturally plays a significant part in cooperative financial stability, but it often non-structured (Steenbergen, 2014).

Due to poor capital formation of cooperatives they are not living up to their potential in Ethiopia (MoA and ATA, 2012). If agricultural cooperatives have a concert base, they have a potential impact on development and poverty reduction to sustained economic growth and making market function better-off thereby, improving the living standards of the community (DFID, 2010).

Admas Farmers' Cooperative Union (AFCU) was established May, 2003 with initial capital of 153,000 birr by 7 primary cooperatives and the numbers of farmer members were 1.7 thousand that covered 6 district of Guraghe Zone. The union was established to solve their common economic and social problems. Currently, the number of primary cooperatives increased to 117 and the numbers of farmer members increased to 46,000 of which 8.6% are female members. The union provided different services such as; supply agricultural input (chemical fertilizer, improved seed, agro-chemicals, vegetable seeds and agricultural tools), output marketing, provide warehouse service, short-term loan and transport service(AFCU, 2015).

The union has a plan to establish a semi refinery Niger seed oil business in Wolkite town on behalf of its cooperative members. The required amount of Niger seed supply for the factories is forecasted to grow from 21,900 quintal to 30,300 quintal when the mill is running at full capacity. Key product is Niger seed oil, which local consumers use for cooking and baking. Next to the consumer oil, the by-product oil cake has a sound commercial value as animal feed for cattle and chickens. The oil will be bottled, branded, packed in a carton and will be marketed to the domestic market. The by-product, oil cake will be sold locally to the member farmers as animal feed. The current business plan has been presented to various local banks and international investors. Though interest is there, local banks stress the importance of enhancing AFCU own equity position. The union is still attempting to issue additional shares to increase owner equity (Groeninger *et al.*, 2014).

## **1.2. Statement of the problem**

Literature as well as cooperative experts state that lack of internal capitalization is one of the key reasons why cooperatives in Ethiopia are having hard times to survive, grow, compete and realize new business ambitions. Lack of member equity to leverage investments is a major problem for many union and primary cooperatives. In Ethiopia, the process of internal capitalization within cooperatives hardly happens. Since capitalization and building own equity is key for cooperatives and unions to become independent and realize sustainable growth. Members share capital represents the individual member's commitment to their cooperative. It promotes group cohesiveness, encourage cooperative patronage and contribute to the achievement of material and social objectives. Indirectly community and country will benefit (Pischke and Rouse, 2004).

Capital formation by members within a cooperative becomes increasingly important to attract 'outsider' finance from banks and other moneylenders. Without capitalization, inside mobilization of finance of members is hard for any cooperative to become bankable and get a loan. By overlooking the capitalization of the cooperatives, many remain weak, creditworthiness stays low and investment capacity is hardly available, Admas Farmers' Cooperative Union is not exceptional. The union has the ambition to establish a semi-oil refinery plant for Niger seeds. The investment need for the oil refinery plant is 20 million birr. This finance is required to cover the procurement of the factory equipment (including packaging and filling), build the storages and factory as well as the working capital required and buying Niger seeds. However, the union has not capital for realization of this plant unless additional capital is raising (AFCU, 2014).

Various local banks and financial institution are also unable to cater for a loan for the union due to insolvency threat. In order to get a bank loan the union needs minimum of 30% own equity and therefore, the union started issuing shares in order to raise own equity. Currently the union has collected around 3.5 million birr. The raised capital is not as high as expected, still minimum of 2.5 million birr is required to acquire bank loan for building the factory. Due to an extensive awareness creation and promotions among members, some farmers bought up to 20 additional shares, equaling 4000 birr whereas others do not bought even one additional share. This raises the question why some farmers bought additional shares and why others didn't. What factors are

affecting demand for additional share in primary cooperative and farmers' level in case of Admas Farmers' Cooperative Union?

### **1.3. Basic Research Questions**

**This study attempts to address the following pertinent questions:**

- 1) What were the possible factors that could make farmers willing to buy or didn't buy additional share?
- 2) Which factors play a key role in Admas Farmers' Cooperative Union to bought additional share?
- 3) What success factors and strategies the union and coops should followed to enhance own equity?

### **1.4. Objectives of the Study**

To know the real factors motivating farmers in their decision to buy or didn't buy additional share in their primary cooperatives.

**The specific objectives of the study are to:**

- i. To Identify major factors that could influence farmers' demand for additional share in their cooperatives and
- ii. To assess the level of shareholding for members of cooperatives
- iii. To give appropriate solutions and recommendations that encourage farmers to buy more shares in and increase the investment capacity of AFCU.

### **1.5 Scope of the study**

Study on demand for additional share in Admas farmer's cooperative union will be conducted in Admas Farmers Cooperatives Union of Guraghe Zone in SNNPR regional state. The study will be enforced to consider only three selected districts of AFCU working area, because of the time and cost constraints to address all ten member districts. Methodologically, the study will pay particular attention to investigate the demand for additional share in the primary cooperatives as well as in their union. Specifically with respect to levels of individual shareholding in their cooperatives.



## **1.6 Significance of the Study.**

The study will mainly concerned with assessing demand for additional share by assessing farmer's preference, price analysis and willingness to buy additional share and identify main challenge and opportunity of AFCU for internal capitalization. The findings of this study is expected to spark valuable information to know the critical factors that affect market demand for additional share by smallholder farmers and coops level under the current situation. It further helps them to recognize the necessity of detailed indicative direction and the root causes of unwillingness for additional share. Also the findings of this study will be used as an input in planning and designing effective development interventions for other union, policy makers and development institutions working in the area that will complement the nation level poverty reduction initiatives.

## **1.7 Research Methodology**

### **1.7.1. Sampling Procedures and Sample Size**

For the purpose of demand analysis for additional share in Admas Farmers' Cooperative Union three districts namely Cheha District from highest shareholding index, Abeshge District from medium shareholding index and Qabena District from lowest share holding index will selected based on probability sampling methodsto ensure adequate representation of all innovation district of AFCU. To assess factors at farmers' level two-stage sampling procedure will applied. Inthe first stage primary cooperative will stratified into highest and lowest shareholding levels in each district based on share holding index. Then purposively one primary cooperative will selected from each stratum for each district to ensure adequate representation and to capture broad information. In the second stage simple random sampling will employed to select the number of farmers (member of cooperatives) from each of the six primary cooperatives based on probability proportion to size of cooperative (PPS).

A simplified formula for proportions suggested by Yamane 1967 as used to determine sample size as:

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{2,778}{1 + 2,778(0.07)^2} = 190$$

Where n is the sample size, N is the population size (primary cooperative members) and e is the level of precision where e = 1- precision and assumed as e= 7%. Totally 190 respondents would be selected randomly from six primary cooperatives based on probability proportional to size of cooperatives (Table 1).

Table 1 : Sample distribution based on probability proportional to size of cooperatives

District	Cooperatives	Performance	Population size	Sample size
Cheha	Yeweze	Poor Performer	500	34
	SisenaWeredene	Good Performer	1,132	77
Abeshge	NachaaKulit	Poor Performer	172	13
	Borer Wendemamachoch	Good Performer	154	25
Kabena	Enbelta	Poor Performer	426	29
	Zebimula	Good Performer	398	28
<b>Total</b>	<b>Six primary cooperatives</b>		<b>2,782</b>	<b>190</b>

Source: AFCU, 2015

### 1.7.2. Methods of Data Collections

Data collection instrument for this study will be individual interview schedule, focus group discussion and key informant interview. Primary data will be collected through individual interviews. In addition to the structured questionnaire, focus group discussion and key informant interview will employed with district and zonal level cooperative promoters to generate qualitative and quantitative data.

The interview schedule and checklists will be designed in English and then translated to local language (*Amharic*). Enumerators who have educated to minimum diploma level, better experience on primary cooperatives in the study area, who have understanding of the socio-cultural norm of the society and can speak local language will employed. However, before the

actual data collection, several preparatory activities will be carried out. First, enumerators had given classroom training on the objectives, content of the interview schedule and method of data collection. Second, the interview schedule will be pre-tested on few respondents outside the sample to incorporate any feedback before the actual survey. The data will be collected by cooperative organizer expert who have better knowledge about and experience on the data collection and supervision.

### **1.7.3. Type and Source of Data**

For this study, both primary and secondary data will be collected to evaluate demand for additional share in Admas Farmers' Cooperative Union. The Primary data will be collected from selected farmers, Admas Farmers' Cooperative Union, primary coops and cooperative promotion offices while the secondary data will be collected from district and zonal level government offices, relevant report of NGOs, university research, publications, books, journals and different websites.

## 1.8, Work plan

activities	February				March				April				May	
	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2
Proposal development	x	x												
Literature search			x	x										
Questionnaire development			x	x										
Data collection					x	x	x							
Data analysis								x	x					
interpretation										x	x			
Report writing												x	x	
Oral presentation														x

**NB:** W represents weeks in a month

## 1.9 Budget Breakdown

Detail	Number of units	Measurement unit	Unit cost	Total cost in birr
<b>Personal cost</b>				
• Investigator	1*3days	Per day	220	660.00
• Data collector	2*15 days	Per day	150	4500
• Data entry clerk	1*5days	Per day	220	1100.00
<b>Supplies</b>				
• Pen	10	number	5.00	50.00
• Pencil	2	number	3.00	6.00
• paper	4	package	130.00	520.00
<b>Travel</b>				
• from welkite to districts(lump sum)	80 km	80km	1500.00	1500.00
<b>Communication</b>				
• telephone	6*300	card	100.00	1800.00
• internet	10*60 min	min	0.50	300.00
<b>Publications</b>				
• printing	600	pages	2.50	1500.00
• binding	5	number	30.00	150.00
• photo copy	1000	pages	0.75	750.00
<b>orientation</b>	2*5	days	220.00	2200.00
<b>Sub total</b>				15,036
<b>Contingency= 10%</b>				1503.6
<b>Grand total</b>				16,539.6

## **1.10/ Chapter plan**

### **Chapter 1**

The chapter will contain introduction part of the main report and will focus on the theoretical background of cooperatives, members and their share capital and capitalization etc. the review of past studies which are related to the topic will also be discussed. In addition to the chapter will discuss about;

- ❖ statement of the problem
- ❖ significance of the study
- ❖ scope and limitation of the study
- ❖ important concepts used in the investigation and assessment and
- ❖ objectives of the study

### **Chapter 2**

This chapter holds about the review of literature which is relevant to issues of internal capitalization and its impact on the member farmers as well as on AFCU. Critical examination of the relationship among various researches will also be presented here.

### **Chapter 3**

Under this chapter, detail socio-economic description and demographic characterization of study area, research methodologies and design used in the study, sampling method, tools and methods of data collection, data verification and encoding and data analysis will be dealt with.

### **Chapter 4**

The findings from the study will be analyzed, interpreted and presented in different forms.

### **Chapter 5**

Summary of major findings, conclusions, recommendations, comparisons of findings with literature review, remarks and recommendation for further action for field practitioners, policy makers, researchers etc will be discussed under chapter five.

## 1.11. REFERENCE

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## I: Questionnaire for members of cooperatives

This questionnaire is developed to investigate why some farmers bought and why other would not bought share in AFCU. The result of this study will help AFCU as an input in planning and designing effective development interventions and also important for coops, other union, policy makers and development institutions working in the area to take appropriate measure for further improvement of coops internal capital. During the interview if you have any questions that you will like to ask please feel free to do so. The answers given to the questions will be kept confidential and will not have any consequence on respondent. Therefore, you are kindly requested to provide with genuine response to every question.

<b>Name of PMPAC</b>	_____	<b>Date of interview</b>	_____
<b>Name of Enumerator</b>	_____	<b>Phone N<sup>o</sup></b>	_____
<b>Signature</b>	_____	<b>Code</b>	_____
<b>District</b>	_____	<b>Kebele</b>	_____

### SECTION I: Demographic characteristics

1. Farmer's name \_\_\_\_\_
2. Age of the Farmer \_\_\_\_\_ years
3. Gender of the Farmer      A) Female      B) Male
4. Marital status      A) Married      B) Single      C) Widowed      D) Divorced
5. Are you Model Farmers      A) Yes      B) No
6. Do you have any responsibility in your *Kebele*      A) Yes      B) No
7. Do you have a position in your cooperatives      A) Yes      B) No
8. Can you read and write?      A) Yes      B) No
- 8.1. If you say **yes**, what is your educational level \_\_\_\_\_ year (write **B** for basic education). Please state the number of years of schooling
9. Total family size      Male \_\_\_\_\_      Female \_\_\_\_\_



9.1. Please, fill the following table with the information regarding the family size.

Family size categories with age	Unit	Number of family
Male and Female age < 15	Years	
Male age of 15- 64	Years	
Female age of 15- 64	Years	
Male and female age > 64	Years	

9.2. How many of your family are members of coops?

Male \_\_\_\_\_ Female \_\_\_\_\_

9.3. Do you have family members working in different enterprises? A) Yes B) No If yes,

Age group in years	Farm		Non- Farm	
	Full time __ hr	Part time __ hr	Full time __ hr	Part time __ hr
Male & Female age < 15				
Male age of 15- 64				
Female age of 15- 64				
Male and female age >64				

## SECTION II: Socioeconomic characteristics of sample farmers

### 1. Farm characteristics

1.1. How long have you been farming for your own? \_\_\_\_\_ Years.

1.2. Land holding 2007 cropping season

No	Land	Timad	Hectare
1	Own cultivated land		
2	Fallow land		
3	Rent in land		
4	Rent out land		
5	Grazing land (Private)		
6	Other		
	<b>Total</b>		

1.3. What crops did you grow during the last crop season?

No	Crops grown	Timad	Hectare	Total production (qt)	Consumed(qt)	Sold(qt)
1						
2						
3						
4						
	<b>Total</b>					



A) Male \_\_\_\_\_

B) Female \_\_\_\_\_

2.2.2. If you say **yes**, mention the non-farm activities and estimated income from the respective activities in two cropping season? and fill in the following table

N <sup>o</sup>	Type of Activity	Estimated amount of income in Birr		Remark*
		2006	2007	
1	Petty trade			
2	Shopping			
3	Casual work			
4	Salary employment			
5	Livestock trading			
6	Handicraft			
7	Remittance			
8	Aid( gifts, other transfers)			
9	Sales of fire wood			
10	Carpentry			
11	Pottery			
12	Sale of local drink and food item			
13	Others/Specify_____			
	<b>Total</b>			

\*If in kind convert to birr at prices prevailing at the transfer.

### 3. Livestock Holding

N <sup>o</sup>	Livestock type	N <sup>o</sup> of animals	Estimated unit price	Total price
1	Oxen			
2	Cows			
3	Heifers			
4	young bulls			
5	calves			
6	Sheep			
7	Goats			
8	Donkeys			
9	Horses			
10	Mules			
11	Poultry			
12	Others Specify			
	<b>Total</b>			

**SECTION III: Institutional Factors**

**1. Information related to credit service**

1.1. Do you have access to credit? A) Yes, B) No,

1.2. If you say **yes**, for the above question from which organization you usually borrow money?

- A) Cooperatives                      B) Union                      C) Micro Finance Institutions  
 D) Banks                                  E) Friends/Merchants                      F). Others (specify) \_\_\_\_\_

1.3. What amount of credit you obtain for two seasons? Fill in the following table

N <sup>o</sup>	Kind of credit	Unit	Credit Source	Amount in Birr		Purpose for taking
				2006	2007	
1	In cash	Birr				
2	*Seed	Niger seed	_____ Kg			
		Maize	_____ Kg			
		Wheat	_____ Kg			
		Vegetables	_____ Kg			
		Chickpea	_____ Kg			
		Other Specify	_____ Kg			
3	*Fertilizers	DAP	_____ Kg			
		UREA	_____ Kg			
4	*Chemical	1. Herbicides	_____ Lit			
		2.Pesticide	_____ Lit			
		Other Specify	_____ Lit			
<b>Total</b>						

\*Convert in to birr those of in kind

1.4. Is the amount of loan you get is adequate to support your agricultural activities?

- A) Yes                                      B) No

1.5. Have you paid back your loan on due date? A) Yes, B) No

1.6. If you say **No**, why did you not paid full?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**2. Access to Information Service**

2.1. Do you attend meeting held by coops? A) Yes                                      B) No



3.4. Distance of the farmers home from Union \_\_\_\_\_(Km) \_\_\_\_\_ (Hours)

3.5. Do your living standard is change due to joining a cooperative?

A) Highly disagree B) disagree C) neutral D) Agree E) Very agree

3.6. Did the coops pay patronage refund /dividend to you? A) Yes B) No

3.6.1. If an answer for question 3.6 is **A (Yes)**, how much it pay?

I. In 2005 \_\_\_\_\_ Birr

II. In 2006 \_\_\_\_\_ Birr

III. In 2007 \_\_\_\_\_ Birr

3.6.2. If an answer for question 3.5 is **B (No)**, do you know the possible reasons why coops did not pay dividend?

A) The coops were under high debt and the surplus were allocated to recharge the debt

B) The general meeting decided to be reinvested in the coop

C) The cooperative didn't make surplus/profit

D) I have less participated in coops

E) Coops were not audited

F) Others/ specify \_\_\_\_\_

#### 4. Output Marketing

4.1. Do you sell your grain product to a cooperative? A)Yes B) No

4.2. If your answers question4.1 is **B (No)** to who do you sold your grain produce?

a. Wholesalers B) Local retailers C) Nearby town market

D) Consumer E) Other/please specify \_\_\_\_\_

4.3. Why did you prefer to sell your grain to other agents than a cooperative?

1. The cooperative price is not competitive/fair

2. Measurement problem in cooperatives

3. Due to mismatch (between the time you want to sell and cooperative purchase)

4. Lack of trust to cooperatives E) Others /please specify \_\_\_\_\_

4.4. If your answers question 4.1 above is **A (Yes)** how much quantity do you sold?

N.O	Crop type	Price per quintal	Total quantity sold(Qt)	
			2006	2007
1				
2				
3				
4				
Total				

4.5. What challenges/constraints do you face in selling your products to the cooperative? \_\_\_\_

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## 5. Degree of transparency and accountability

5.1. Perception of members with cooperatives' board and management on transparency and accountability ( Please indicate your perception by making **X** mark on the table below)

No	Description	1= strongly disagree	2= disagree	3= neutral	4= agree	5= strongly agree
1	Conducting annual meeting timely					
2	Deciding based on by-law					
3	Duties and right					
4	Dividend distribution procedures					
5	Evaluating and approving executed activities report					
6	Approving audit report					
7	Electing board and management					
8	Approving annual plan and budget					
9	Determining share values					
10	Others if (Specify)					

## 6. Degree of members satisfaction

6.1. Perception of members' satisfaction on quality and quantity of services rendered through cooperatives (Please indicate your perception by making **X** mark on the table below).

No	Description	1= Strongly disagree	2= Disagree	3= Neutral	4= Agree	5= Strongly agree
1	Is the coop able to supply farm inputs at the right time, quantity & at the right place?	1.1. Fertilizer supply				
		1.2. Improved seed				
		1.3. Agro-chemicals				
		1.4. Agricultural tools				
2.	Purchasing your produce with Competitive price as compared to other marketing agents?					
3	Supply of consumers and merchandized goods					
4	Short-term loan lending					
5	Training					
6	Transport service					
7	Others if (Specify)					



6.2. Do you have trust in your coops?

A) Strongly disagree    B) Disagree    C) Neutral    D) Agree    E) Strongly Agree

6.3. State your reason \_\_\_\_\_

\_\_\_\_\_

6.4. What is your overall perception on the role of cooperatives in your area? \_\_\_\_\_

\_\_\_\_\_

6.5. Describe the problems of cooperatives related to internal capitalization? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

#### **SECTION IV: Farmers willingness to pay for share**

1. Are you bought share?    A) Yes                    B) No

1.1. If you say **yes**, would you be willing to pay the initial bid value of birr for one share?

A) Yes                    B) No

1.1. If your answer question No 1 is **B (NO)** please reason out why you are not bought a share? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

1.2. How many shares do you bought? \_\_\_\_\_ Number

1.3. What is the price of one share \_\_\_\_\_ Birr

1.4. How many shares are you going to purchase for the next time (within less than one year)?

\_\_\_\_\_ Number

1.5. Do your family members bought a share in addition of you    A) Yes                    B) No

If you say **yes**, how many share do they bought    Male \_\_\_\_\_    Female \_\_\_\_\_

1.6. If answers for question **1.5. Is B (No)** why they would not bought a share? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*Thank you for your time!*

## Appendix II: Questionnaire for cooperative Manager

### 1. Degree of transparency and accountability of Union

1.1. Perception of primary cooperatives' on transparency and accountability of the Union ( Please indicate your perception by making **X** mark on the table below)

No	Description	1= strongly disagree	2= disagree	3= neutral	4= agree	5= strongly agree
1	Conducting annual meeting timely					
2	Deciding based on by-law					
3	Duties and right					
4	Dividend distribution procedures					
5	Evaluating and approving executed activities report					
6	Approving audit report					
7	Electing board and management					
8	Approving annual plan and budget					
9	Determining share values					
10	Others if (Specify)					

### 2. Numbers of professional employed

2.1. How many employers are employed(hired) in your cooperatives \_\_\_\_\_

2.2. Educational level \_\_\_\_\_

2.3. Do the employers give full day service at any time?

A) Yes                                      B) No

2.4. For how long time the employers give service in the coops per day? \_\_\_\_\_(hr)

A) Do your coops annual audit?    A) Yes    B)No

2.5. For how many years audited report do you have? \_\_\_\_\_

3. List the problems of cooperatives related to supply of inputs and output marketing \_\_\_\_

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4. What kind of modality your coops followed to enhancing owner equity? \_\_\_\_\_

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5. What are the main problems hinder your coops to buy additional share and issued to your members? \_\_\_\_\_

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**7. Degree of cooperative satisfaction**

7.1. Perception of cooperative' satisfaction on quality and quantity of services rendered by AFCU (Please indicate your perception by making **X** mark on the table below).

No	Description	1= Strongly disagree	2= Disagree	3= Neutral	4= Agree	5= Strongly agree
1	Is the AFCU able to supply farm inputs at the right time, quantity & at the right place?	1.1. Fertilizer supply				
		1.2. Improved seed				
		1.3. Agro-chemicals				
		1.4. Agricultural tools				
2.	Purchasing your grain with Competitive price as compared to other marketing agents?					
3	Supply of consumers and merchandized goods					
4	Short-term loan lending					
5	Training					
6	Transport service					
7	Others if (Specify)					

7.2. What is your overall perception on the role of AFCU in changing the lively hood of members? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

7.3. Describe the problems of AFCU related to internal capitalization? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

8. Complete a **SWOT** analysis of your cooperatives, considering internal and external factors to increase additional share from the union and issued to your members

<b>Strength</b>	<b>Weaknesses</b>
<b>Internal:</b>          <b>External:</b>	<b>Internal:</b>          <b>External::</b>
<b>Opportunity</b>	<b>Threats</b>
<b>Internal:</b>          <b>External:</b>	<b>Internal:</b>          <b>External::</b>

9. Cooperative managers educational level \_\_\_\_\_

10. Distance of the coops from Union \_\_\_\_\_ (Km) \_\_\_\_\_ (Hrs)

11. Do you motivate the farmers who bought large share?

A) Yes      B) No

11.1. If you say yes ,how do you motivate\_\_\_\_\_

12. Is there any interference from external body?

A) Yes      B) No

12.1. If you say yes, is it positive or negative? describe \_\_\_\_\_

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**SECTION VII: Key Respondents' for qualitative data**

- What is the major problem face coops for capacity building?
- Does government influence the cooperative to set price for agricultural input and output?
- Do most cooperative pay patronage refund to members?
- What are the major factors that can affect cooperative performance?
- What are major problems face to buy grain from members of cooperatives?
- What problem you face to supply input for members?
- What is your recommendation to build internal capital of coops and union?

*Thank you for your time!*