**Katine farmers consider establishing a cooperative**

Katine farmers meet with Amref and sub-county and district officials to discuss the pros and cons of organising themselves into a cooperative

[Joseph Malinga](http://www.guardian.co.uk/profile/joseph-malinga) [guardian.co.uk](http://www.guardian.co.uk/), Wednesday 9 June 2010



Members of the Katine farmers association and officials from Katine sub-county and Soroti district discuss creating a farmers' cooperative. Photograph: Joseph Malinga

Katine farmers have begun talks on whether they should organise themselves into a cooperative society as a means of maximising marketing opportunities.

At the moment, farmers [have organised themselves into an unofficial association](http://www.guardian.co.uk/katine/2010/feb/24/more-farmers-groups) to represent their interests – the Katine Joint Farmers Association (KAJOFA).

But, with a [new produce store built](http://www.guardian.co.uk/katine/2010/jun/02/produce-store-nears-completion) to increase farmers' collective marketing abilities, the African Medical and Research Foundation (Amref), which is implementing [a development project in Katine](http://www.guardian.co.uk/katine/2008/sep/23/background.news), funded by Guardian readers and Barclays, is now exploring with farmers opportunities to turn the group into a recognised body. This could increase the farmers' chances of accelerating development.

Last month, representatives of KAJOFA met with Amref staff, officials from Katine sub-county, Soroti district commercial officers and other development partners met to discuss the possibilities.

According to Amref, the idea is to find the most sustainable way to develop [livelihoods](http://www.guardian.co.uk/katine/livelihoods) in the sub-county.

Yuventine Omajungu, Soroti's commercial officer, told the group that farmers could have better opportunities to do business if organised into a cooperative. They could even borrow money from banks, he explained. Cooperatives are also recognised under Ugandan law.

According to Omajungu, unlike associations, cooperatives involve more farmers in decision-making processes. If farmers choose to officially register as an association, decisions relating to the running of the produce store can only be taken by its leaders. This, Omajungu said, was risky because it could lead to mismanagement, or leaders could manipulate members for their own gains. But with a cooperative, every decision has to be approved by the general assembly.

"Registering as an association only offers permission to do charitable work with the community. It does not allow members to do business with one another. Yet what we are talking about here is collective marketing. We would love to have farmers maximise benefit of the produce store and this can only be possible when we are a cooperative," said Omajungu.

He added: "There is no way government can come in to protect members' interests unless they are under a cooperative that is governed by the Cooperative Societies Act and Regulations."

The government of [Uganda](http://www.guardian.co.uk/world/uganda) supports cooperatives, such as the [Savings and Credit Cooperative Organisations](http://www.guardian.co.uk/society/katineblog/2009/may/19/livelihoods-uganda) (SACCOs), having realised they offer a better means of mobilising people for development. "Accessing loans for business is much easier when members have gone for cooperatives [rather] than associations," said Lawrence Emoit, Soroti's assistant commercial officer.

However, there are fears among Katine farmers that cooperatives might not be the best option following their turbulent history. During the 1980s, cooperatives were a major development tool in Uganda, but with little support from President Yoweri Museveni when he took over power in 1986, most of them collapsed. In recent years, the government has sought to revive cooperatives. But [researchers have argued](http://allafrica.com/stories/200812300072.html) that they have become too political, are badly managed and are open to corruption.

However, Emoit said cooperatives were still the best option, even though they may have failed in the past.

He said the Teso cooperative, which marketed cotton in the Teso region, only failed because insurgencies blighted the region. And he pointed to the success of the [Bugisu Cooperative Union](http://allafrica.com/stories/201005101475.html), from which farmers could learn, he added. The union markets coffee and is the only cooperative that has stood the test of time in the country, despite nearly closing two years ago.

"We know what happened to the past cooperatives. And that gives the clues on how to manage this one. We shall be able to correct the past. Besides, this one [Katine cooperative] is unique. It has both the produce marketing bit and the money saving bit. The two can complement each other," Omajungu explained.

If a cooperative was formed, farmers would be required to join it on an individual basis. Although it would be open to all farmers, only those farmers groups currently under the KAJOFA umbrella could be considered founders of the cooperative and entitled to profits that might accrue.

Once established as a cooperative, Amref would assist farmers in setting up a financial department to support bulky marketing and, in time, to deal with value addition to produce.

A name for the cooperative was suggested - Katine Joint Farmers Cooperative Society Limited.

However, John Erienyu, chairman of the KAJOFA taskforce, stressed the importance of educating the 1,800 farmers in the association about cooperatives before any decision was made, so that they could own it.

Source: <http://www.guardian.co.uk/katine/2010/jun/09/katine-farmers-cooperative>

**Questions**

1) What is a co-operative?

2) What are the possible benefits for the farmers if they join as a co-operative?

3) Why are some people questioning whether a cooperative is the best option for them?