

The contribution of cooperative in food security of small scale farm households:
The case of SACCO, Ethiopia

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DEDICATION

I dedicate this research to my husband Mr. Seifu kena and my four years daughter Sifen Seifu and My brother, given to me from God, Mr. Fikadu Mitiku.

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LIST OF ABBREVIATIONS

SACCO	Saving and credit cooperative
ETB	Ethiopian Birr
NGO	Non-governmental Organization
DAs	Development Agent
PA	Peasant Association
BBCCCP	Bole Baptista Child Care Programme
HL	Hadha Langano
MFIs	Micro Finance Institution
CBO	Cooperative Bank of Oromia

ABSTRACT

Small scale farmers in developing countries are in continuous struggle to ensure their food security. However, their operation is constrained by many bottlenecks such as recurrent drought, land degradation, shortage of skill and finance to state few of them. Hence, in this thesis case study is used to analyze the contribution of SACCO in food security of small scale farmers in Arsi negele district, West Arsi Zone, Oromia, Ethiopia. In line with this broad objective, it tried to answer four specific research questions: the major services that SACCO provides for the community, whether SACCO has improved food availability and food accessibility for its member households, whether there is difference in food security between member and non-member households, the main challenges and opportunities of SACCO for further development. Both primary and secondary sources has been used to generate information during data collection. The primary information was collected from 8 members and 8 non-members of SACCO in hadha boso village in the Arsi negele district. Furthermore, 6 key informant interviews, 2 from members of SACCO, 2 from non-members, representative of SACCO, and head of food security department of the district has been included. Stratified random sampling and purposive non-random sampling was used to select area of the study, members and non-member respondents, and key informants respectively. Observation was also part of primary data collection. The results showed that the main services provided by SACCO includes awareness creation about saving and credit, providing loans, promoting savings and saving money for their members, giving continuous short term trainings on loan utilization and small business management. SACCO has been giving extra services such as providing food crops at lower prices than local markets, and grind mill services for the community. SACCO has also been enhancing the food security of its members through enabling households to purchase farm inputs such as fertilizer and seeds to improve their crop production and invest in other off-farm business activities. Furthermore, the result showed that there is difference between members and non-members of SACCO in terms of food security, member households are more food secured than non-members. Though SACCO has contributed to food security of households in general and member households in particular, it has different challenges. Factors such as absence of skilled man power, low financial resource, less capacity to invest their deposit and absence of other professionals to give advice are among the main challenges for SACCO. There are also considerable opportunities for SACCO's further development: the positive policy support, existence of NGOs that share the same vision with SACCO and help SACCO in giving trainings and other minor advisory services are some of the opportunities of SACCO. From the finding it can be concluded that SACCO has considerably contributed to food security of the community despite of its challenges. For SACCO to use its full potential and enhance its contribution to food security, it is suggested if all responsible bodies participate in enhancing the capacity of the leaders of SACCO and work on net working SACCO with other financial institutions.

Key words: SACCO, food security, food availability, food accessibility, challenges, Opportunities, Hadha Langano, Arsi Negelle, Oromia

1. INTRODUCTION

1.1. Background

Ethiopia is one of the least developed countries in the world. The country's economy is dependent on small scale agriculture. The agriculture production is decreasing over time because of factors such as recurrent drought, erratic rain fall, land degradation, high population growth, poor land management, land fragmentation and lack of insurance for farmers to state few of them. As a result, poverty is a central policy issue for the government of the country. Many programs, projects and activities are designed to improve the food security of poor farmers by enhancing their productivity (Messele, 2002).

Programs such as improving farm households access to agricultural input, output marketing, promoting farmers unions, establishing micro financial institutions and encouraging farm households to save some amount of money they earn, and giving them access to credit are some of the major programs that are believed to reduce poverty in general and improve the food security of small scale farm households in particular.

To improve the living standard of the people introducing modern agricultural farming system and promoting small scale income generating activities are the means to improve livelihood. To prompting such activities micro financial institutions are crucial for credit provision and other financial services especially in the rural areas where other formal financial institutions are not available. Cooperatives are considered as tool of bringing socio-economic development (Susan et.al., 2002).

Community development provides community members with opportunities to bring about changes in their social, economic and cultural environment. Community join hands to cooperatives with a view to full fill their need. Currently, cooperative which are commonly defined as " an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations" play key role in the poverty reduction of a nation (Wolday,2002).

As to the genesis of cooperatives, only few cooperatives were organized during the regime of the emperor. The major objective of organizing the cooperatives then was to produce industrial crops such as tea and spices. The co-operatives were organized in areas where these industrial crops are grown. Due to the command system of economic management that lasted for about two decades and with less emphasis by the Dergue regime for the years, the development of saving and credit cooperatives was limited(Berhane,2008).

Presently, the Ethiopian government gives due emphasis for the development of the sector and has enacted Cooperatives Proclamation. The required human resource has been assigned starting from district to federal level. There is even a plan to assign cooperative extension workers at village level which is the basic political structure of the government. Today, the environment is conducive for the development of self reliant and autonomous cooperatives which can also create job opportunities (Messele, 2002).

Saving and credit cooperative has been given more emphasis than other cooperatives; because it is considered as the best option of finance source to its members and it is a means to learn the value of savings and wise use of credit. It is owned and controlled by the people for their mutual benefits. Members mobilize their own resource, use services and share risks, it is considered as a means to overcome their social and economic problems (FCA, 2008).

1.2. Study area

The study will be conducted in Arsi Nagelle district, West Arsi Zone, Oromia Regional state of Ethiopia. The district is situated between 7°09' and 7°41' North Latitude and 38°25' and 38°54' East Longitude. It is bordered by southern Nation nationalities and Peoples Regional state in the west by Adami tulu Jido- combolcha District, in the North, east showa zone; shashemene and shalla District, in the south - east Kofele and Kore District and by munessa District in the East. The District is located at about 225km South of the federal Capital, Addis Ababa, about 50Km South of the capital city of West Arsi Zone, Shashmene.

Arsi Nagele District is found in the Great Rift Valley of Africa. Part of the district is covered by the Rift valley, but the northern part is lowland area of the district. It has low rain fall that is not enough for growing annual food crops. The lowland area is characterized by poor crop production covers about 15% of the total area of the District or out of the 43 villages available in the district about 15 are found in the low land area mentioned above. Out of the total population of 250,000 in the district, about 43,000 (17.2%) live in these lowland food-insecure, under-relief villages (OSG, 2005)

Arsi nagale district is divided into 3 major climatic zones based on altitude (low, mid and high altitudes). The cultivated part of the district, except its southern section, has elevation between 1500-2300masl. Forests exist to cover areas with altitude of 3000masl. The northern and western part of the district is covered coniferous forests of podocarpus variety and by wood land Savannah of Juniferous species. Broadleaf forest of arudianiaria and Aningeria cover the southern highland.

The major Rift Valley lakes of Abjata, langano and Shalla are partly situated in Arsi nagale . There are also several hot springs and the highest number of rivers in the zone. About 80% of the district comes under the category of sub-tropical agro-Climatic zone and 20% (south-eastern highland) of cool temperate zone. Average annual temperature varies between 10-15° c in the temperate and 15-20 ° c in the sub- tropical agro –climatic zones respectively. Average annual rainfall ranges between 800-1400mm. Most of the district has anosols soli type. Nitosols are soils of high rainfall areas and thus constitute the south-eastern part of the district. They are clay, reddish brown to red, deep and have well developed and stable porous structure with high moisture storage capacity and deep rooting volume. This gives them high potential for cultivation with the addition of phosphate fertilizers (Socio-Economic profile of Arsi Negele Sub-district, 2002)

Arsi Negele is considered to have reasonable agricultural potential, as reflected in the diversity of crops and Service; all weather and dry weather road have lengths of 95kms and 85kms in the district respectively (MoFED, 2005)

The district has one automatic and manual telephone station. The districts have one a regular post office. About 84% of the rural, 88% of the urban and 85% of the total population in the district has access to potable water supply. The energy sources in the district are fire wood, charcoal, animal dung, crop residue, kerosene and hydro electric power . The district has two banks and one insurance organization. There are 17 elementary, 21 junior secondary and one senior secondary schools in the district. There is one Hospital (Children's centre), one health center and 6 clinics. Similarly the district has one animal health clinic (Annual report 2008).

time the country showed high need for financial services. It also showed the critical role that credit can play in improving the situation of the poor(Asefa et al., 2005).

Furthermore, the contribution of cooperatives in the marginalized areas like SACCO in Arsi Nagele district to the food security of their members and their community are not well-identified as they are not supported by research and development. Their constraints and opportunities are not well-documented. Therefore, this thesis intends to examine the contribution of SACCO to the food security of member households and to identify the main constraints that hinder SACCO from its goal achievement and opportunities it has for further development.

1.4. Research Objectives

- To examine the contribution of SACCO in food security of member households
- To identify the main challenges and opportunities of SACCO for further development.

1.5. Research questions

1. What are the contributions of SACCO in the food security of member households?
2. What are the main challenges and opportunities SACCO have for further development?

Specific Research questions

1. What are the major services provided by SACCO to its members and how satisfactory is the service from customers' point of view?
2. How SACCO contributes in enhancing food availability and food accessibility for member households?
3. Is there difference among members and non members of SACCO with respect to food security?
4. What are the challenges and opportunities of SACCO for further development?

Problem owner:- SACCO and Arsi Nagele district agriculture and rural development office.

1.6. Significant of the study

Understanding contribution of financial institutions in food security in general and SACCO in particular is essential for policy makers in rural development. Specially in countries like Ethiopia where there is no well identified contribution of different supportive organizations and institutions for food security, it is paramount to generate information on contribution of SACCO to food security of its members as well as specify the windows of opportunities for the organization. Furthermore, if the major constraints for the development of such contribution have been well studied, then it will be easy to focus on the improvements.

Therefore, this study will be useful for policy makers at different levels, program designers in rural development and project planers in the field. It can further be used in academics to inform students in this stream.

1.7. Delimitation of the study

Because of shortage of time and resource, this study focused only on one village and one SACCO in Arsi Negelle District. Though it is preferable to combine more than one case to draw nice conclusion, time became a major constraint for that. Nevertheless, it is possible to capture the overview of contribution of SACCO to food security in rural areas and identify the

major challenges of the organization; the main conclusions of this study will be specifically made for SACCO in the Arsi negele district.

1.8. Limitation of the study

Though attempt is made to generate grass root information, this study has been constrained with many bottlenecks. The main limitations for this study were overall time allocated for the thesis itself, time budgeted for data collection, the season of data collection in rural areas, absence of transportation facility, closed culture of the community to openly discuss the issue at hand and illiteracy of the respondents to understand the technical terms in the field. The time budgeted for data collection was only 6 weeks including return trips, time for bureaucracies to arrange administrative issues and actual field data collection. There was also problem with transportation facilities to move to and from the rural area of Hadha Bosso village where members of Hadha Langan SACCOS reside.

Furthermore, the time of data collection was the main season for agricultural activities; as a result, it was difficult not only to find people at home but also to make slot of their free time with them. The fact that many of the households in the study area are illiterate has also contributed to time shortage. Absence of transparency in local community has also contributed a bit for the procrastination in data collection.

The community in the study area is not open to provide information in general and socio-economic information in particular. Though the researcher used different mechanisms to reduce the problem of the above limitations in generating the information presented in this thesis, it was difficult to totally avoid the limitations.

1.9. Thesis Outline

The remaining part of the thesis is organized as follows; chapter two deals with literature review focusing on concepts in food security, SACCO and conceptual framework of the relation between SACCO and food Security. Chapter three explains methodology for the thesis: source of data, selection of respondents and so on. Chapter four presents the main results. Chapter Five discussion of the result based on literature. Finally chapter Six concludes and presents some policy advices based on the findings.

2. REVIEW LITERATURE AND CONCEPTUAL FRAME WORK

2.1. Concepts of Food security

In general food security is defined by World Food summit (1996) as “ Food security exists when all people at all time have physical and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preference for an active and healthy life.”FAO,1996 This broad definition encompasses four main dimensions: food availability, access, utilization, and stability. The definition of food security is broad and complex that is determined by factors such as socio-economics, agro-ecological and bio-physical conditions which are very broad by themselves. The above definition indicates that households’ food security can be improved by enhancing household food productivity, increasing their income earning opportunities to raise household income and improving nutrition. Well designed conceptual framework leads to identification of reliable instruments that have potential for good analysis.

There are four main dimensions in defining food security

Food availability and Stability is achieved when sufficient quantities of food are consistently available to all individual within a household or geographic unit of analysis. Such food can be supplied through household production, other domestic output, commercial imports, or food assistance (Hoddinott,1999). However, food crop production is always tied with various problems. The first problems related to small holdings farm sizes, and with these small landholdings, food security cannot be achieved by subsistence farming alone. In this regard onion can help to improve the productivity of food crop production. That is, the income generated from onion can be used to buy agricultural inputs and farm implements including draught animals which can directly enhance food crop production(Yared 2001,et.al).

Economic and Social Access to Food is ensured when households and all individuals within them have adequate resources and decision making power to obtain appropriate foods for a nutritious diet. Access depends on income available to the household, on the distribution of income within the household, and on the price of food. Poor households who depend on only food crops for their income are at greater risk of food insecurity than those who have alternative sources of income. Similarly, Cash crop producers could have the opportunity to have more cash income than non-cash crop producers and thus be able to buy more food grains in times of food deficit from own production(Workneh,2006).

Adequacy of Food Intake and Food Utilization is the proper biological use of food, requiring a diet providing sufficient energy and essential nutrients, potable water, and adequate sanitation. Effective food utilization depends on knowledge within the household of food storage and processing techniques, basic principle of nutrition and proper childcare, and illness management. Cash crop producers, in addition to being in a better position in having the ability to buy more food grain, they can also be able to purchase food and non food items such as clothing, housing, sugar, oil, spices, and nutritious foods like meat, eggs, milk, etc. In addition, producing households can cover medication expenses when their family members get sick and can provide their family members with the proper clothing and foot wears. Therefore, producing households can have the normal number of meals per day, consume the acceptable dietary diversity and live healthy life. The following are the major factors that determine adequacy of food intake, namely, number of meals per day, amount of food per meal, and energy and nutrient density of the food consumed (Eshetu ,2000).

Factors such as high population growth, land degradation, variable climate, disease and absence of pro-poor credit are some of major contributors for food insecurity of small scale farm households in developing countries.

2.2. Conceptual framework for contribution of SACCO in households food security

Household Food security is influenced by different interrelated socio-economic, environmental and political factors that requires multidimensional consideration. As a result, assessing, analyzing and monitoring food security necessitates approaches ranging from a mere quantitative to a combination of both qualitative measurements (Ayalew,2003).

SACCO is defined as “ associations for people who pool together their financial and human resources for the purpose of giving loans to each other and using the pool of ideas for the betterment of their members” (Mavimbela et al, 2010). The definition directly linked to the general services that SACCO provides to its members. SACCO provides services such as helping people develop a habit of saving money; teaching people modern techniques of saving money; introducing people to business concepts; making people re-discover themselves; develop a culture of saving money; cultivate a culture of business ownership; teach people how to manage their resources properly and teach people how to borrow from a source they have created themselves (Kebede et al,2002).

Hence, to reverse and/or minimize financial problems, provision of Saving and credit service for farmers has been regarded as an important tool for raising the incomes of rural populations, mainly by mobilizing resources to more productive uses (Mavimbela et al, 2010). SACCO are important solution to create financial opportunities for poor farmers. The role of credit in agricultural production is crucial because inputs such as seeds and fertilizers are purchased at the beginning of the production season, when poor farmers are not able to pay for it, but returns are realized only at the end of the season (Masuku, 2009). Hence, agricultural credit plays an important role in enhancing agricultural productivity in developing countries like Ethiopia.

It has been argued that the growth of agriculture depends on agricultural input use, technological change and technical efficiency. While technological change is the result of research and development technical efficiency is the result of factors such as flow of information, better fund and farmers managerial ability that affect the adoption and use of new agricultural activities (Muhammad et al., 2003). To full fill this gap SACCO provides farmers with credit service to solve their financial problem, give training for its members on loan management and utilization and provide them with necessary information thereby improve the productivity of farmers and enhance their food availability.

Empirical finding by Mavimbela et al. (2010), in Swaziland shows that there was positive and significant effect of loan from saving and credit cooperatives (SACCO) on agricultural production. They compared members and non-members of SACCO based on yield of three crops: maize, potato and beans. Their finding shows that the average yield of these crops for members is 2.6, 2.7 and 2.2 times that of non-members respectively. The input use by members is also by far greater than that of non members.

The benefit from SACCO is not limited to agricultural production. Farmers can also use credit from SACCO to invest in different income earning activities such as petty trade, handcrafts including pottery, weaving, and other small scale farm and non-farm enterprises that enables them to earn additional income which can be used for household food and non-food

expenditures (Ortman,2006). Hence, SACCO contributes to households food access by improving their purchasing power. The income from these off-farm and/or non-farm activities can also be utilized to purchase agricultural inputs such as fertilizers, pesticides, herbicides, insecticides and etc, which will enhance farm productivity. Therefore, there can be a multiplier effect of SACCO on households food security through improving households food availability and accessibility.

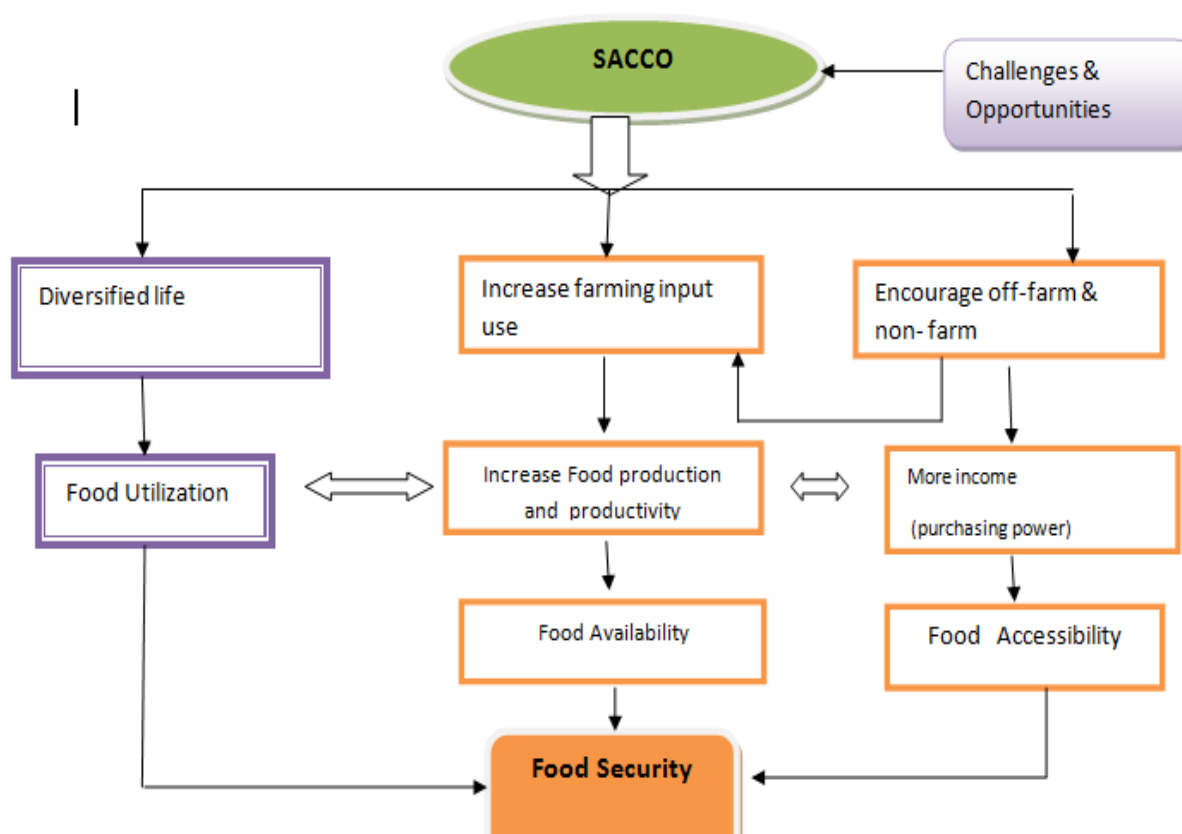


Figure 2: Conceptual framework on contribution of SACCO on household food Security

Source: Own computation by summarizing literatures

3. RESEARCH METHODOLOGY

The research focuses on assessing the contribution of cooperatives in food security of small scale farm households: the case of SACCO Arsi- Negele, Oromia regional state of Ethiopia.

This section presents the research method, research approach and research strategy used in the study and the different data collection and analysis methods used to fulfill the objectives of the research. It includes the sampling procedure used, methods of primary and secondary data collection. Finally, it concludes by discussing data analysis' tools.

3.1. Study Design and strategy

This research is an empirical, case study and mainly qualitative approach is used based on data collection from interview and desk study of literature, documents and internet sites. In a qualitative approach, the researcher opted to gather an in-depth understanding about the contribution of cooperative in food security of small scale farm households. The data were collected from the different stakeholders through interview as a main data collection instrument. Semi-structured questioners were used for interviewing the stockholders. Besides, the field observation were carried out to collect the further supportive information. The whole research work took a total of three months.

3.2. Data collection

The literature search was conducted in the month of June and early days of July while the field work for the study was carried out from 18 of July to 10th of August 2011. Data analysis and write up was done afterwards till 8th of September 2011.

3.3. Source of data

To generate information for this thesis, both primary and secondary information has been used. The sources of the information were reliable internet sites, literatures and documents, interview from the respondent and observation during field work.

3.3.1. Primary Data

Primary data was collected from different stakeholders: namely members and none members of SACCO, representative of SACCO, representative of Food Security Department of Arsi negele district and non-members of SACCO. Observation is also part of primary data collection.

3.2.2. Secondary Data

The secondary data source for this study include researcher from books, news paper articles, journals, internet materials, individual writings, documents from different organization such as Ministry of Agriculture and Cooperatives, Central Bureau of Statistics, Food Security Department, Bole Baptista Child Care Community Program (NGO), Safety net, Oromia Microfinance and district Agriculture Development Office were the sources of secondary information. Other different secondary sources included different related cooperatives as well as various governmental and non-governmental organizations working for food security and cooperative issues.

3.3. Sampling Procedures and interview

3.3.1. Selection of the respondents

As stated above, the method of data collection for this case study includes a series of interviews using a semi structured questionnaire to generate qualitative data from different stakeholders. Observation and document review was also part of data collection techniques. The interview instrument was translated in to local language (Afan Oromo) to increase clarity and easy communication during the data collection.

Stratified random sampling was used to select the area of data collection and random sampling was used for members and non-member respondents. First the district was selected by the researcher as she had information about the food security situation of the district. After selecting the district the researcher identified the total villages in the area. After identifying the 43 villages in the area, then she further identified 29 villages in which SACCOs are found. From these 29 villages the researcher further identified 11 villages where there was severe food insecurity. It is from the 11 villages that hadha bosso randomly selected by lottery. After selecting hadha bosso village, the researcher randomly selected 4 male headed and 4 female headed households from members of SACCO. This selection has been made from the lists of members on the roster of SACCO. For non-members, 8 households were randomly selected from the village, but still the gender distribution has been maintained (i.e. 4 male headed and 4 female headed).

Purposive non-random sampling was used for in depth interview of 2 key informants (model beneficiaries from SACCO services) from members of SACCO and 2 from non-members of SACCO, one representative of SACCO and head of food security department from Bureau of Agriculture and Rural Development.

As the main objective of the thesis is to analyze the contribution of SACCO to food security of its members and SACCO has only 92 member households, the researcher believes that 8 households are sufficient. In addition, the information from key informant interviews and interview with SACCO representatives helped to triangulate the results.

3.3.2. Interview procedure

The interview was entirely conducted by the researcher herself in the absence of any other disturbance. The researcher first introduced herself and the objective of her study to the respondent, then tell them to freely express their feeling as true as possible. The fact that the researcher can hear and speak the local language (Afan Oromo) helped her to conduct the interview herself and made communication with the respondents easy. The researcher used sound recorder in addition to writing the responses and photo camera for taking the pictures of the key informants based on their willingness. Only one of the key informants refused her picture not to be posted in the text. The researcher visited the households twice on average. This is because of two main reasons: the first is inability to find households at home as the time of data collection was main agricultural activity and the second is households give only slot of time for to answer some of the questions and post pone some of it for the future.

3.3.3. purposes and contents of the interview

The researcher interviewed members of SACCO as they are the one who get direct credit benefit from saving and credit and other services provided by SACCO. Such information in turn helped me to analyze the kind of services provided by SACCO and how satisfactory they are from customers (members) point of view. It also enabled the researcher to generate information on how SACCO help its members on loan management, and how households expend the credit they get from SACCO; income generating activities in which those households participate and if it would have been impossible had they not been member of SACCO. This in turn enabled the researcher to compare food availability and accessibility of member households before and after becoming member of SACCO and to identify constraints of SACCO from member's point of view.

The researcher chooses to interview non-members of SACCO because of two main reasons: first, it helps her to differentiate between members and non-members in terms of their characteristics with respect to their status in the community such as asset holding, and if there is difference in the level of food security of member and non member households. Second, it helps to identify if there are constraints that hinders people from becoming member of SACCO from the point of view of those non members.

The researcher also opt to interview the key informants to get in-depth contribution of SACCO to food security of farm households and representative of SACCO to analyze the overall situation of the (organization): their vision, mission and goals; services provided by SACCO to its members; how satisfactory are the services provided and how members make use of those services; how SACCO evaluate itself in terms of its goal achievement; its contribution to food security of the member households and its challenges and opportunities from the representative point of view. Furthermore, the researcher strived to interview head of food security department from Bureau of Agriculture and Rural Development to generate information on how they evaluate the services of SACCO to its members; SACCO's direct and indirect contribution to food security; the relation SACCO have with food security department of the district and the challenges and opportunities they forecast for SACCO's further development.

Observation and document review were also part of the data collection methods. Finally, by doing so, the researcher generated all relevant information from different sources so that it has been triangulated and qualitatively analyzed to come up with some conclusions on the contribution of SACCO to food security of the area and some policy advices on how to solve the existing problems and enhance its further development.

3.4. Methods and techniques of data analysis

Both the primary and secondary information collected from the field survey and other methods were analyzed according to the objective of research carried out using Table, SWOT and different cases such as the case of the members and non-members of SACCO and narration of the responses of representative of SACCO and head food security department.

4. RESULT

This chapter presents the main findings from members and non member respondents, interview with representative of SACCO, representative of Food security Department of the district, and 4 case analysis 2 from members and 2 from non-members has been presented. Observation was also used in discussion. The chapter begins with food security situation in the area followed by description of SACCO, contribution of SACCO to food security in the area and challenges and opportunities of SACCO presented using a SWOT analysis table.

4.1. Food security situation in the area of study

The research area is located in Arsi Negele district, West Arsi Zone of Oromia Regional state of Ethiopia. Agriculture is the main stays of farm households in the area with 85% of them are solely dependent on this sector for their livelihood. Only a few participate in off-farm activities such as carpenter, daily labor and others. Mixed farming system in which crop production and animal husbandry are practiced at the same time is common in this area. Soil and altitude are suitable for crops such as maize, wheat, teff, barely, potato and carrot. However, because of risk or recurrent drought in the area, households are only growing some subsistence crops like maize wheat and teff. Farmers also keep livestock such as cattle, small animals, transport animals and birds.

The productivity of these major crops has also been decreasing as a result of climate change. For instance, in the last five years, average production of maize, wheat and teff has been decreased from 28 to 19, from 22 to 10 and from 16 to 7 quintals respectively. In the target area, the existing problem of food shortage, which is leading to loss of livelihoods of the people, is associated to shortage of rainfall.

As stated above, though the main reason for severe decrease in crop productivity is low rainfall, there is also severe deforestation in the area. This is partly attributed to the ex-post response to drought risk by households in which they try to diversify their livelihood through collecting and selling fire wood and cut plants to make and sell charcoal for income generation. This deforestation in turn contributed to climate change and loss of soil productivity as important nutrients can easily be washed away from the land. This resulted in the damage of crops such as Maize and wheat, which are main crops in the Village. These hold farm households into vicious circle of poverty.

Because of the climate change, there was very low rain fall recorded in the area during meher (May to October) time resulted in low quality and quantity of crops that were survived from the drought. This low crop harvest, during meher, the main cropping season in the country in general and in this village in particular, pushed the overall price of food crops up. For instance, price of major crops like maize and wheat unexpectedly increased from 250ETB to 600ETB and from 410 ETB to 850ETB per quintal respectively. In addition, the low rainfall in the area adversely affected livestock productivity. Shortage of pasture as a result of low rainfall resulted in physically weak and sick animals. Livestock supply to market has also been increased as many people destock their livestock to purchase food crops. This resulted in low price of livestock in the markets. For instance, in the local market cows that would have been sold for 1500 ETB under normal condition, had fetched only 1000ETB on estimation. The cumulative effect of drought together with other factors resulted in severe food insecurity in the area of study. Many people need aid from government and non-governmental organizations.

Due to the drought, quite a large number of people, especially children and mothers are found to be malnourished. According to the official reports of the government (Arsi Negele District Agricultural Bureau) on October 27, 2009, a total of 72,000 people from 20 villages of Arsi Negelle need immediate food aid, of which about 35% of the most vulnerable segments of the population are children and lactating mothers.

To respond to the households food security problem, CCFC in collaboration with the local partner NGO Bole Baptist Church Childcare and Community Development Program(BBCCCP) have developed to provide food support for families using the minimum standard of 15 kg/person/month, addressing 3189 people in 638 sponsored families that are at higher risk of food insecurity. In addition to this the district government has been providing food for the community in different ways.

4.2. Description of SACCO

One rural saving and credit cooperative from Arsi negele district is the focus of this thesis. This cooperatives are Hadha langano(HL). Hadha langano is one of the twenty nine saving and credit cooperatives found in Arsi negele district. Its total members are 92 households from which 38 are female headed. All the 29 Saving and credit cooperatives have been established in different years starting in 2004 in the district. HL saving and credit cooperative have been established in 2008. All the members are farmers and few are participants in off farm activities such as daily laborers, carpenters. Their activities in cooperatives are participating in cooperative annual and monthly meeting, saving money, borrowing loan for different purposes and electing and/or being elected by the members in order to serve the cooperative.

HL Saving and Credit Cooperative (SACCO) in Arsi Negele was established on September 12, 2008 with the initiation and support of BBCCCP. This NGO brought idea of saving and credit and announced the idea at different public institutions such as school and social affairs such as “edir”. After disseminating the idea, BBCCCP called for meeting and gave training to people by its own initiation. The training mainly focused on the advantages of saving and credit, loan management and other related issues. Based on that training, the farmers in the area had been voluntarily organized and established SACCO with the name of HL as independent cooperative.

SACCO was established with the following vision, mission, goal and objectives:

Vision :- To see every person specially poor house hold family in the area being empowered and increased their income and free of poverty.

Mission of SACCO :- Support member by accessing saving and credit service to involve them in economic activities, utility empower them and all evicted poverty.

Objectives

- a. Promoting saving and credit and encouraging members to save part of their income with SACCO
- b. Giving loans for members for emergency purpose, production propose or both purposes
- c. Training members how to use commercial bank services
- d. Strengthening understanding and participation of members in saving and credit giving continuous training.

- e. Improving the livelihood of members by providing them with saving and credit services
- f. Contributing to the nation's development by enhancing the livelihood member households
- g. Establishing source of finance with strong base for members

Major activities of SACCO

The main services of SACCO in general and hadha langano in particular are;

1. Lending loan to saving mobilization
2. Accounting format supply
3. Technical support
4. Training and Education
5. Supervision and monitoring
6. Provision of different food products at low price during shortage of food

4.3. Socio-economic characteristics and food security situation of the respondents.

As I tried to indicate in the methodology part, 8 households from members and non-members has been reached to generate information. These households were randomly selected from the community in the area. Accordingly, demographic and socio-economic characteristics of the households included in the survey has been given in the following consecutive tables.

The following tables shows the category of households included in the this study based on their age, sex, literacy, family size and their asset ownership such as land size and livestock ownership.

Accordingly the average age of the respondents is almost the same with 37.5 years for members and 36.8 for non-members. The sex of household heads included as a respondent in this study has been completely balanced for both member and non-member households (i.e. 4 male headed and 4 female headed households has been included in both categories). Regarding to the marital status of respondents from members and non member households, none of the respondent is single from both categories. Most of the respondents are married accounting to 62.5% and 75% of member and non member households respectively. Whereas, 25% from each categories are widowed and the remaining 12.5% of the member households is divorced.

Education is important for openness of households in some external change such as introduction of technology, training and demonstration, therefore, educated people are more expected to become member of SACCO as well as expected to be more benefited from it. The literacy rate for member and non-member households shows that 65% of the household heads for the member is literate whereas it is 50% for non-member households.

Asset holding is one of the important implicit criterion for households to get access to loan. Even though they are not asked to avail collateral in the case of informal financial institutions, getting loan is smoother for households having better asset base. In Hadha boso village, farmers own very small area of land. It is 0.6 ha for member households and only 0.29 for non-member categories.

Table 1: Socio-economic characteristics and food security situation of members and non-member households

Categories	Members	Non- members
Age in years	37.5	36.8
Sex of respondents in percent (%)		
• Male	50	50
• Female	50	50
Marital status in percent(%)		
•Single	-	-
•Married	62.5	75
•Widowed	25	25
•Divorced	12.5	-
Family size in number	6.1	6.6
literacy in percent (%)		
• Illiterate	35	50
• Literate	65	50
Land size in hectare	0.6	0.29
Livestock (numbers of livestock)		
• Cattle	3.375	2
• Small animals	6.62	1.375
• Transport animals	1.75	0.75
Number of respondents	8	8
Average months they can feed their family	8	5-6

The relatively large size of land for member households is not because of difference in allocation, but because of the ability of member households to rent in land and expand their farm size. Case analysis of some respondents shows that SACCO contributed to expansion of their farm land as well as their economy because of different reasons. Some of the reasons are; their ability to rent in farm land for the money they borrow from SACCO, increase in the scale of their production as their ability to purchase other agricultural input enhances, the

contribution of training on farmers risk perception related to agricultural activities and their ability to earn from off-farm that has backward linkage with agricultural production.

Livestock is also one of the important assets in rural area in general and in rural areas of Ethiopia in particular. Farmers use livestock for different purposes, livestock is a form of wealth accumulation, they use livestock as collaterals, they destock for risk coping, they use them as source of income and food and so on. To give general overview of member and non-member households in terms of livestock holding, the researcher categorized the livestock into three: namely, cattle which includes, cow, oxen, calf; small animals which includes sheep and goats and transport animal which includes donkey, mule and horse.

Accordingly the data shows that there is considerable difference in livestock holding among member and non-member households. Member households own more in all the three categories of livestock, especially, that of small animal holding by member households is four fold than non-members. This is attributed to increase in households investment in small animals such as sheep production for the money they access from SACCO. Refer to table (6) for loan utilization and case analysis of Mr. Desta. Hence, the descriptive statistics indicates that there is considerable difference between members and non-members in asset holding thereby food security and wealth. The more the households have assets, the more they are food secured. The similarity in their family size, higher asset holding for members indicates that member households are more food secured than non-members.

4.4. Major economic activities in which respondents participate

Farming is main economic activity in the study area with every household is a farmer. However, the contribution of farming varies from household to household. Some households depend on other economic activities as their major income earning strategy. The following table (2) gives the summary of the main source of income for respondents.

Table 2: Main sources of income (economic activities) for the respondents

Economic Activities	Number of the respondents (N=8)		Non member of the respondents (N=8)	
	No.	%	No.	%
Farmers	4	50	5	62.5
Off-farm self employment				
Carpenter	-	-	1	12.5
Petty trade	3	37.5	-	
Off-farm wage employment				
Guard	-	-	1	12.5
Daily laborer	1	12.5	1	12.5

Source: Author's computation from field data 2011

The activities can mainly be categorized into two: namely farm and off-farm activities. The off-farm activities can further be categorized into two; off-farm self employment such as carpenter and petty trade whereas the off-farm wage employment includes activities such as daily laborer and guard. Accordingly, 50% of the respondents from members of SACCO depend on farm activities as their main income earning strategy, whereas 62.5% of respondents from non-member households depend on farm activity as their main income source.

The off-farm self-employment in which members of SACCO depend as their main income source is petty trade. This activity absorbs 37.5% of the respondents whereas the only off-farm self employment activities for non member respondents is carpenter which absorbed only 12.5% of the respondents. The off-farm wage employment activities absorbs 12.5% of the members and 25% of the non-member households respectively. The only non-farm wage employment activity on which a member household depends is daily laborer, whereas a non-member households depends on daily laborer as their main economic activity. Likewise, a non-member of household depends on guard as the main economic activity.

4.2. Contribution of SACCO to the Food Security of its members

4.2.1. Major services provided by SACCO

As I stated above SACCO was founded in 2008. Most of the members were pioneers since its foundation. After the foundation of this cooperative up to two consecutive years a number of new members were joining. But, in the later two years, the number of new members were decreasing and finally stopped to join. The responsible factor for the decreasing of new members in SACCO was the increase in the cooperative property and activities which intern increased the dividend of the previous members and created barrier for new entrants. When others want to join this organization, they are expected to pay a given amount of money, which is equal with the old members' capital. Even though the objective of SACCO was to provide saving and credit, it also worked on different multi-purpose cooperative works and increases the organization's income.

During the time of un harvesting season, this organization supplies variety of commodity for cheap price for the community. Besides to the response of my respondent, I have observed the activities of SACCO, like loan, monthly saving, mill grinding, sale and buy of seed and cereals, distribute small commodity and training for members. For instance, SACCO purchases food crops during harvesting time and resell the crops to the community when there is shortage of food crops in the area. They provide two benefits to the community, on one hand they buy crops for 20% higher price than the surrounding market. on the other hand, they resell it for less price than the surrounding market. For instance, they bought grain for 203 ETB when its price was 169 ETB per quintal in the local market and they sold it to the community for 460ETB while it was 710ETB in the local market.

When the members want to borrow a given amount of money from SACCO, they are expected to agree with the payback rules and regulations of the organization. The capacity of SACCO is not adequate to give a loan for all members at a time. So, it provides a loan by round of six months.

The highest roof of loan given by SACCO is 1000 (one thousand) Ethiopian birr. This was decided by the common agreement of members. But there are two controversial ideas among responses of members regarding this issue. Some members reported that the loaned money is enough because of limited capacity of the SACCO while others complain about this limited amount of money (only one thousand birr) given as a loan for members. The former focuses

on the capacity of the cooperative than their situation whereas the latter group focuses on the shortage of money they face as they want to expand their business and get more profit by increasing the scale of their work. This implies that the cooperative is playing a great role in changing the life of the society and needs to give due attention to increasing the capacity of SACCO so that it can provide more loans and play its full potential in reducing poverty.

Members reported that borrowing money from SACCO is neither bureaucratic nor difficult. This is the result of easy requirement to borrow money and the comparatively less interest rate asked by SACCO. The requirement to take a loan from SACCO is application paper, person for guarantee, and signature of borrower only. The interest rate on the loan from SACCO is as low as 5%. Which is by far lower than other financial institutions which ask for interest rate of more than 12%. This together with availability of different activities to diversify to, motivated members to take loan from SACCO and begin different activities or expand what they already have at hand.

The contribution of SACCO is not only limited to lending money with such short bureaucracy and low interest rate but also giving training together with BBCCCP to the member community on loan management, business management, monthly saving attitude, natural resource management and “living on less”(i.e. teaching the society not to be extravagant).

Many members reported that before establishment of SACCO, people had fear of taking loan even from family or friends as taking loan was not encouraged in the society and a person who borrows money is socially considered to be weak. Consequently, they were financially constrained to purchase and use agricultural inputs such as fertilizer and improved seeds. This together with the drought in the area contributed to low productivity of land and food insecurity. However, after establishment of SACCO, households could improve their food availability and accessibility in two ways: the first is attributed to direct effect of money borrowed from SACCO on agricultural production and the second is attributed to income generated from different activities.

4.2.2. Contribution of SACCO in improving Food Availability of households

One way of improving food availability for rural households is through increasing production and productivity of their land and other inputs. In this regard, the input use by member and non-member households has been given in table (3) below. As has been previously specified, the three major crops grown in hadha boso village are maize, wheat and teff. The result shows that 87.5% and 37.5% of members and non-members of SACCO uses improved seed of maize respectively. The share of farm households using improved seed of wheat are also proportional with that of maize with 62.5% and 12.5% of the member and non-member households respectively use improved seed of wheat.

Neither member nor non-member households use improved seed of teff. As far as fertilizer is concerned, all member households and 50% of non-member households use fertilizer in general. When the fertilizer is decomposed into Dap and Urea, 100% of the members use Dap whereas only 50% of the non-members use it. When the proportion of households using urea is compared, only 37.5% of the member households use urea whereas none of the non-member households use it.

Table 3: Farm input use by member and non member households

Types of input	Members		nonmembers	
	Number of the respondents	%	Number of the respondents	%
Improved seed				
• Maize	7	87.5	3	37.5
• Wheat	5	62.5	1	12.5
• Teff	-	-	-	-
Fertilize				
• Dap	8	100	4	50
• Urea	3	37.5	-	-

Source: Author's computation from field data

Note: “-” indicates no household use the corresponding inputs in the respective categories

Households buy improved seeds and fertilizer for the money borrowed from SACCO and increase the productivity of their land. The result shows that the number of members of SACCO using improved seed and fertilizer is by far greater than that of non-members for all kinds of improved seeds and fertilizers. The details is given under loan utilization by households (table 6).

Another indicator of improvement in food availability is the physical production and productivity of the above crops as a result of input use. The data from member and non-member respondents with respect to their food productivity has been given in table (4) below. The productivity is categorized into two. Those who grow these crops without fertilizer and improved seeds and those who use fertilizer and improved seeds for their crops production. Accordingly, the productivity of maize for member and non-member households without using fertilizer and improved seeds respectively is 19 and 17 quintals per hectare whereas it is 41 and 38 respectively for members and non-members when they use fertilizer and improved seeds. Likewise the productivity of wheat is 15 and 16 quintals per hectare for member and non-member households respectively without fertilizer and improved seeds and is 33 and 35 quintals per hectare when they use fertilizer and improved seeds. None of the households use fertilizer and improved seed for teff production. As a result, teff is the least productive crop among the three major crops with only 8 and 7 quintals per hectare for member and non-member households respectively.

Table 4: Average productivity of major crops in the area in quintals per hectare

Types of crop	Members		Non members	
	Without fertilizer and improved seed (quintals/hectare)	With fertilizer and improved seed (quintals/hectare)	Without fertilizer and improved seed (quintals/hectare) quintals	With fertilizer and improved seed (quintals/hectare) quintals
Maize	19	41	17	38
Wheat	15	33	16	35
Teff	8	-	7	-

Source: Author's computation from field data

Note “-“ indicates that households do not use fertilizer and improved seeds for teff production

4.2.2. Contribution of SACCO in improving food accessibility of households

To analyze the food accessibility of respondents, the researcher asked questions related to the economic activities in which households participate for further income earning. Table (5) below shows the major off-farm activities in which members and non-members of SACCO participate.

Accordingly, the most frequent off-farm income earning activity is small animal fattening in which 100% of the member households 25% of the non-member households participated. It is followed by petty trade in which 37.5% of the member and 12.5% of the non-member households participated. Other activity in which both categories of the respondents equally participated (12.5%) each is daily laborer. Activities such as dairy cow production, transportation animals (donkey cart) and small village shop are owned by members of SACCO only. Whereas, activities such as carpenter and guard are owned by non-members of SACCO only.

Table 5: Participation of member and non member respondents in off-farm income earning activities (indicators for improvement in food accessibility)

Respondents	Types of off- farm income earning activities							
	small animal fattening	small village shops	Petty trade	Transportation animal (Donkey cart)	Dairy cow production	Carpenter	Daily laborer	Guard
Members	8 (100)	1 (12.5)	3 (37.5)	1 (12.5)	1 (12.5)	-	1 (12.5)	-
Non-members	2 (25)	-	1 (12.5)	-	-	1 (12.5)	1 (12.5)	1 (12.5)

Source: Author's computation from field data

Note: percentage shares are given in parenthesis

“-“ indicates no household participate in the respective activities from the respective category

The role of SACCO in improving food accessibility of households can be seen by distinguishing the nature of the activities in which members and non-members of SACCO participate and the distribution of the activities between the categories (members and non-members). When we look at the nature of the activities, member households mostly participate in off-farm self employment such as small animal fattening, small village shop, petty trade and dairy cow production. Whereas, the non-member households mostly participate in off-farm wage employment such as daily laborer and guard even though some of them also participate in off-farm self employment such as small animal fattening, petty trade and carpenter. The fact that more member households participate in off-farm self employment is attributed to the investment requirement of the activities which the member households can overcome by the loan from SACCO while it is far for non-members to reach. This indicates that the contribution of SACCO is not only limited to increasing short term food accessibility of households but also to sustain households income for long period of time.

To further understand the contribution of SACCO to food availability and food accessibility of member respondents, the researcher further analyzed the loan utilization of member households by activities in which they participate (table 6 gives the summary of the activities for which the loan has been spent). The interpretation of the results has also been given accordingly.

Table 6: Loan utilization by activities

Activities	Number of respondents
House construction	4
Fattening of small animals (Sheep and Goat)	8
Purchase inputs (seed and fertilizer)	8
Dairy cow production	2
Consumer shops	1
Accumulate the capital	-
Transportation animal (donkey cart)	1

Source: Author's computation from field data 2011

Note: “-“ indicates that there is no household use the loan for the respective activity.

Table 6 shows that the most prominent activities for which member households use loan are purchasing agricultural input such as improved seeds and fertilizer and fattening of small animals such as sheep and goat. All households use the loan for this two activities. Fifty percent of the households used the money for house construction, 25% of households invested in dairy cow, and only a household opened a consumer shop in a village and only one individual invested in transportation animal (donkey cart). There was neither direct accumulation nor direct consumption of capital they borrowed from SACCO. The fact that households use the money for agricultural input improves their production and their productivity thereby improve their food availability.

Households also spend the money on small animal production that in turn increase their income. They can use the income for purchase of food, this improves their access to food. Different case analysis in this thesis emphasizes the importance of SACCO in this respect. For instance look at the case of Mr. Desta and Mrs. Lomi.

Diary production has both advantages: households can use the milk products from cow as a source of food which improve their food availability and utilization, and they can sell the product to purchase other food crops that in turn improves their food accessibility. However, such a business is not suitable with the money which SACCO lends alone. Because SACCO lends money only for the maximum time of six months which is by far less than the gestation period of cow. Nevertheless, it can be used as initial or additional investment for feeding and other facilities if the household has another source of finance.

In the case analysis, member households focused on small animals (sheep) than cattle. The short period this small animals require for maturity together with their less requirement of input enabled households to focus on such short term income generating activities and boost their income than the long term ones.

According to my respondent I selected from members of SACCO the main challenge of this organization are the following.

- A- Most of the SACCO leaders were not educated. This means the leaders were appointed from the members, and they hadn't knowledge of finance administration and the like. Due to this fact they were not eager and devoted to invest the deposited money of the SACCO.
- B- The leaders were not supported by professionals from the district office of cooperative work.
- C- The training of the leaders greatly limited by lack of professionals and shortage of time
- D- Distance factor, it means a professionals live in the centre of the district so that far from the preferable villages.
- E- The land topography and weather condition were not favorable to transport. So the professionals were not interested to come to the area.

4.3. Case analysis of selected organizations and individuals

4.3.1. Responses of representative of food security department

Representative of the food security in the district expressed that, initially we haven't a relationship, but beginning from before a year there is strong relation with SACCO. Our programme is safetnet. Deliberately this program is designed to support totally the poor persons. So when we know the activity of other cooperative organization and non-governmental organization in the village we began to create a relationship with SACCO and some department in the agricultural sector of governmental institutions.

Because, the primary objective of the government and non-governmental organizations is to support the people and avoid the food shortages problem. In this action the contribution of SACCO is very big. According to the responses of my respondent in terms of food security. A number of individuals' life is changed, due to the presence of loan program and creating awareness of saving.

SACCO supplies fertilizer and improved seeds for the members. So, nowadays economically strong individuals and families have been observed.

My respondent clearly put his idea about the difference between members of SACCO and the non-members of community. Of course both of the community are beneficial from SACCO's activity in this preferable village. But the members of SACCO are first hand user from this cooperative. When we compare the members and the non-members individuals in SACCO; the difference is not only indirect financed, the members are taking it in the form of loan, more over the members are directly trained by SACCO. In addition my respondents understand the following part that is achieved by SACCO. This saving and credit cooperative is available in every village of our district. In our district there are twenty nine saving and credit cooperatives; But among them eleven villages are affected by shortage of food. Hadha Bosso is one. According to the food security representative, they are a number of model farmers they scored decisive victory against poverty with the help of SACCO. It was evaluated and realized by the committee that is made from the governmental agricultural sector, cooperatives and food security department. This committee awarded two cooperatives out of these twenty nine saving and credit cooperative as model for others and fifty two members are recognized from these two cooperatives by the committee, because they brought a change in their life.

According to the sentence of my respondent, the praised model farmers are not awarded by the membership right of SACCO, rather by their strong effort.

So the contribution of SACCO is seen obviously in the member community. Even though SACCO played significant role in the life of members, sometimes there was a problem existed because of lack of awareness of newly joined members. Some of the newly joined members are expected extra and many services like sponsoring their children without any ground rule of the organization.

According to their thought the members of SACCO have a full right to get any help from the cooperative NGOs, this is due to lack of awareness. Besides to this, the majority of leaders of SACCO are not educated and some do not have enough knowledge to lead the organization and to give proper information for newly joined members. However, such problems are reducing as a result of efforts made by the cooperative, other NGOs and oldest members of SACCO.

In general the members of SACCO have received services like loan, monthly saving, used by grinding mill machine and supply of variety of commodities. When there is drought and shortage of food exists in the village as a result of drought, SACCO immediately begin to distribute maize with cheaper price for the whole community. The aim of SACCO with this regard is not only supporting its members but also strengthening the economy of all community and sustaining their real life by enhancing food availability.

My respondent said that “the service of SACCO is similar with other governmental institution, like micro finance. However, the difference is, SACCO was deliberately founded for the rural societies and it does not consider economic benefit of the organization.”

The other governmental (financial) organizations provide similar services for the people, but unlike SACCO they are greatly worried about their benefit rather than supporting the people life. Other difference is the location of SACCO, since its aim is to support these people in the rural area, then unlike other microfinance institutions the center for SACCO is rural area on one hand and supporting the rural community with other related services such as giving training, establishing grind mills and others on the other hand. In addition, to making their center in the towns, other financial institutions do not provide the community with other services like providing grains for cheaper prices. They only facilitate loan mostly for the people living in towns. The services of other financial institutions are more bureaucratic than that of SACCO.

The other and great difference; between SACCO and governmental institutions is that SACCO provides continuous short and long term training about saving and extra business activities for rural communities. SACCO provides commodities for the people for cheaper prices while the governmental institution provides only money in the form of loan.

The main challenges in the rural areas are shortage of trained professionals. As mentioned above, there are twenty nine saving and credit cooperatives and 69 multipurpose cooperative in the district, but the district has only eleven educated professionals. These professionals are not enough to support all cooperatives equally and effectively in all centers. In addition, some villages are difficult to move to because the problem of transportation facilities. Therefore, the professionals focused on village where they can easily get transportation facilities. Members of SACCO have shortage of budget (Finance), as the representative’s explanation, their markets and financial capacity are very limited, so they do not have much saving.

Though these are the existing challenges, SACCO has a bright future. SACCO has opportunities such as working with other departments having the same vision in the districts. The representative emphasized that there are 43 village in the district of which 11 of them to including hadha bosso have been affected by serious shortage of food in the last five years. In order to minimize the problem of food insecurity, safety net program has been provided in this area.

Safety net is nongovernmental organization which works with governmental institutions. The safety net program is applied in two types. The first embraced the persons who do not have any source of income, children and disabled citizens. The second is food for work for those who are able to work.

The total population in 11 villages, supported by the first type of safety net reached eleven thousand and four hundred thirty eight (11438) of which 6377 males and 5061 females. In terms of house hold 1484 male headed and 806 female headed, but nowadays the problem is expansion of drought which, as a result, increased the number of food in secured villages from 11 to 23. There was shortage of rainfall in the last two harvesting seasons and consequently the total population in need of help of food has been increased to 34, 314.

Therefore, in order to minimize the problem, SACCO and other aid organizations are cooperated to support the people. This situation helps SACCO to build its capacity, as others share the burden of SACCO through providing some commodities to the people, giving training on saving and credit as well as overall living situation of the people.

4.3.2. Responses of representative of SACCO



Figure 3: Photo taken during interview with SACCO representatives

Source: picture taken during filed work, 2011

The SACCO representative is one of my respondents and I asked him a number of questions that enables me to generate detailed information about SACCO general and its goal achievement, challenges and opportunities in particular.

According to representative of SACCO, the organization has been established with the vision, mission and objectives specified under description of the cooperative. He also emphasized the contribution of the non-governmental organization (NGO) BBCCCP. This organization contributed to the establishment of SACCO by disseminating information and providing technical support.

After its foundation, SACCO has satisfied its own vision, mission and goal, said the representative. After the foundation of this organization, it provides different services for both members and non member communities. As my respondent words the organization provide availability of services for member's like; monthly saving, loan service, purchasing and sales of cereals, service of mill grinding and other commodities. The above mentioned services except giving loan and service of monthly saving are accessible for non-members community as well.

At the beginning, the members were expected to pay seventy (70) ETB, then after they agreed with a common interest, nowadays they could save 5 ETB as a minimum requirement for saving. But the member can save more than minimum requirement any time. At the early stage of the SACCO foundation, the members are organized by the effort of BBCCCP. But after the foundation of SACCO the members have been using different tactics to increase the number of members through disseminating information in informal meetings and in schools, to show posters. After exchanging information to the community, they began to accept new members with in the following criterion;

- application of willingness
- be dweller in the village
- he/she expected to be loyal to pay back the borrowed money
- He /she expected to be paying the entrance value. But not other things are determined the chance to come member of SACCO like sex, age or poverty.

With these criterions, SACCO provides equal opportunity for all. According to the representative of SACCO, the members and non-members community are so happy by services provided by SACCO. We have observation directly and indirectly, because we are alive in the society. Sometimes, when problem exists in our organization, initially the leaders of SACCO try to solve the problem, if it goes beyond that, leaders generate meeting and further discover on the issue.

He puts the contribution of members in the SACCO's management as follows; "We, the leaders, have a chance to obtain necessary advice from the members and it enables us to stabilize the organization." Even though SACCO is striving to perform the organization's objectives, it does not mean it achieved its total aim. Because, the organization is now only four years old. Following this fact, SACCO has challenges such as shortage of budget. Every member is forced to put a minimum of 5 ETB monthly on their saving account. Such amount of individual contribution is not enough to run the organization's objectives. Another challenge of SACCO is lack of knowledge as there is no another cooperative organization that can share its experience.

The only sources of training for our organization is BBCCCP from the very beginning up to the present time. As previously mentioned, the shortage of budget affects the loan roof of SACCO. Member households are allowed to borrow only 1000 (one thousand) ETB. Though SACCO's financial capacity is growing and currently it has 260,000 (two hundred sixty thousand) ETB on cash, the representative reported that this amount of money is not adequate for extra activities of SACCO. That is the main reason of why SACCO provides loan for the period of

only 6 months. The six months terms of loan together with the inability of the organization to repeatedly give loans for its members constrains them from exploiting opportunities of income generation. This in part creates

Another challenge, added by the representative, is they have no enough store to keep their product in safe condition. Beside to this, the understanding and perception of their members for new things is very low. As a result, they are very late in applying new systems in business.

Regarding opportunities that SACCO have he puts as follows; *"Though we are hindered by many factors we have a big opportunity to improve our income and to lead better life. Because there are different governmental and nongovernmental organizations in our village."* Organizations such as Rift valley park, BBCCCP and Safety net are supportive organizations for SACCO.

In addition to these, there are other opportunities for our society. For instance, there is a sand deposit in our village. So, our members have a chance to trade sand in the markets of urban areas and improve their income. The positive attitude and support of the government towards a cooperative organizations is a better opportunity for SACCO to expand its service and contribute more to food security in the village. As improving the livelihood of the community especially by focusing on enhancing food availability and food accessibility is among the major objectives of SACCO, the representative said that, "we know, our village is one of eleven village, those are highly affected by a serious shortage of food."

Therefore, they believe and plan that there are two ways of solving the problem.

1. In most cases they sale their product during harvesting season. To achieve this, SACCO gives short and long term trainings to create awareness about saving their products during harvesting time and sell when the prices increase. In addition, this can partly be achieved by adding some price on the market price during harvesting season and reselling it to the community during food shortage.

2. By taking the loan from SACCO, the member have an opportunity to create another source of income. So, these new source of income enables them to purchase improved seed and fertilizers, and then their productivity will increase. At the end, the representative summarizes, the golden opportunities for SACCO as;

- A. *There are a numbers of governmental and non-governmental organizations, so it enables the community to get help in different ways.*
- B. *If the individual wants to engage in any profitable work, there is a chance to obtain a land from the village administrators.*
- C. *There is no another competent cooperative organization, that may shares the resources in their village.*
- D. *The positive attitudes of the government towards cooperative organization enables then to further working.*
- E. *The attitudes of the society towards civilization and changes is progressing very well.*

4.3.3. The case of Mr. Desta Geleto

“SACCO played a great role in livelihood of my family.” (Desta, 2011).



Figure 4:Photo of Mr. Desta Geleto from members of SACCO

Source: picture taken during filed work, 2011

Mr. Desta Geleto is 35 years old young man, father of three daughters and two sons. In total, he is head of 7 families including himself and his spouse. His literacy level is that he has completed elementary school (attended school up to grade 6). Before becoming member of SACCO, Mr. Desta Geleto had small plot of land and the livelihood of his family was based on subsistence farming of grain. Two of his sons were supported by BBCCCP (NGO). Mr. Desta became member of SACCO in 2009. The source of information about foundation of SACCO was first disseminated by BBCCCP at school where his sons were schooling. Mr. Desta Geleto explains the situation as follows; *“My sons were continuously supported by Bole Baptista Chikd Care programme , one day they heard about SACCO at school and told me as well as pushed me to attend meeting held in our village by the following day.”* Accordingly, Mr. Desta the attended training given about SACCO and decided to become member of SACCO. *“Normally, I was afraid of loan, because in our culture taking loan is considered as a taboo and it has been rejected by the society. But, the training that was provided by professionals of BBCCCP has greatly changed my thinking and I am not worried about the social attitude”* (Desta, 2011)

Mr. Desta has also got continuous training about saving and credit from SACCO. for the foundation of SACCO, the NGO Bole Batista Child Care aided some amount of money in addition to what members contributed. A month after becoming member of SACCO, opportunity of taking loan was announced. Following that information Mr. Desta borrowed 1000 ETB from SACCO and worked according to his plan. He bought six sheep for the money and kept them for two months. After two months, he sold the six sheep and bought another 15 sheep for the money. As far as the loan repayment was within six months, he sold his 15 sheep each from 500-670 and earned total of 8790 ETB.

Though he has to pay back the loan by this time, Mr. Desta borrowed another 1000 ETB for the second time and maintained his money to be 8790 ETB. He further diversified to transportation animal namely, donkey kart, for 5000ETB and then bought another 5 sheep for the remaining 3790 ETB. As we can see in figure 2 above, he changed his house from thatched roof to iron sheet roof with improved seats and other equipments in his house. Mr. Desta explains his post-SACCO life as follows, *“After becoming member of SACCO, my subsistence life has been changed to more diversified and more income generating activities. Currently, I weekly save 500 ETB in “Equb”, which is forced and rotating saving in our community.”* (Desta, 2011).

He further explained that he rented in land and increased his productivity that improved his food availability. His land size increased from 0.45 hectares before becoming member of SACCO to 3.5 hectares. Unlike before his becoming member of SACCO when his two sons were helped by aid from BBBCCCP, he pays school fee for his children.

Currently, he has been using his donkey cart and transporting sand from Hadha Bosso village to Arsi Negelle, the main town of Arsi Negelle district and get additional income. As a result he had more diversified life. This implies that SACCO has contributed a lot to the livelihood of the member households.

4.3.4. The Case of Mrs. Lomi Ture



Figure 5:Photo of Mrs. Lomi Ture from members of SACCO

Source: picture taken during filed work, 2011

Mrs Lomi Ture, is dweller in the village Hadha boso. She is mother of one son and one daughter we are four including my husband. She is member of SACCO since 2009. She explains her situation as follows, *"First of all, I am hard worker in every field of work (business). My neighbours know my work character."* She has completed first round of secondary school (i.e. she attended school until grade 10), this makes life easily for her to accept new idea and technology.

Mrs Lomi got information about SACCO from her neighbors and immediately applied to become member of SACCO one year after its establishment. She explains the situation as follows; "After I got information from my neighbors I have immediately applied to SACCO to become a member and SACCO allowed and gave me full membership". But the idea of becoming member of SACCO was opposed by her husband. She puts the challenge from her husband as follows, "My husband opposed me to become member of SACCO and take loan because he is un educated person and highly controlled by the negative traditional attitudes of the society." So, he refused to take a loan, in the later with a great advice of their neighbors they have taken a loan from SACCO.

In addition to the loan said Mrs Lomi, "I am trained about saving and extra business activities by the professionals came from BBCCCP." After the training she has rented in land from other person and began to strive in agricultural activities. She purchased improved seeds and fertilizers from agriculture and rural development office of the district paying half of its cost on cash and half on credit. She cultivated wheat and has got 50 quintals. Four months after harvest the price of crops in general and wheat in particular has been increased throughout the country and she wanted to sell her produce.

She further explains contribution of Development Agents (DAs) in the area as follows; “ The DA in our village advised me to sell forty quintals at a time, facilitated and connected me to traders who collect crops at farm gate. I sold the forty quintals of wheat for a price of 850 per quintal and got 34,000 (thirty four thousand) ETB.” After getting the money she reached on consensus with her husband and opened the small village shop of commodities as can be seen in figure 3 above.

During the data collection time, their shop has a life span of only 8 months. But, they still save 200 ETB per week in the form of “equb”. She explains her current life activities as follows *“Now, I have been buying improved seeds such as maize and fertilizer for the next cultivating season, this is due to the money, which I get from the shops. In addition, to this individual business I am also beneficial from SACCO.”*

Mrs. Lomi further indicated that SACCO contributed to improvement of livelihoods of community in the area by establishing grind mill. She explained that before the establishment of the grind mill, the dwellers of the village walk for 3 hours forth and back each. In total, it takes them a total of 6 hours whenever they want to get such service. This has two types of costs, the first is the opportunity cost of time and the other is the cost which they pay to hire transportation animal to carry their crops to grind mills. The establishment of the grind mill by SACCO reduced both costs for them.

There is also indirect benefit related to the establishment of grind mill. Mrs. Lomi explain this contribution of SACCO as; “ SACCO has created job opportunity for one poor family in this village, now we pay 500 ETB per month for the man who serves as grind miller. The livelihood of his family has been changed relative to his previous survival strategy.”

According to Mrs. Lomi, the establishment of SACCO in the village has changed not only her life but also the life of many families. It first improved their knowledge, their sources of income (economy) now members have a good potential. It brought a radical change in the livelihood of family of Mrs. Lomi. She explains SACCO contribution as follows *“Now we are beyond improving food availability for ourselves, but supply much food to the community, my family also get access to nutritious food such as meat, butter, milk and able to dress a beautiful and clean clothes.”*

Based on her experience and previous obstacle she faced from her husband, Mrs. Lomi recommend the following for the community in Hadha boso village. *“In order to win the poverty in our village, the community should reject the previous traditional attitude of loan and they are expected to be organized and stand together for change.” (Lomi, 2011)*

4.3.5. The case of Mr. Ashireka Hussen

For me “SACCO is my life guarantee.” (Ashireka, 2011)



Figure 6: Photo of Mr. Ashireka Hussen from non-members of SACCO

Source: picture taken during filed work, 2011

Mr. Ashireka Hussen is a father of two sons and two daughters and he is the head of six family members including his wife and himself. He came from another village and he has no agricultural land. He explains his ex-ante livelihood as follows; *“The only source of income to lead our family life was my day to day labor work. I always walk 18 kilometers per day to and from the place where I find a labor work. The money I got is not enough to our family; as a result, most of the time we expect aid from local non-governmental organization.”* His wife was also making local beer “tella” to support the income of their family, but it was not more than struggle. As a result, before getting job in the grind mill established by SACCO, the income of this family was as small as hand to mouth with only one or two meals per day. They could not get enough income to send their children to school.

Though he had information about SACCO, he has different reasons for not becoming member of SACCO. The first reason is his past experience in cooperatives. He reported that he heard about foundation of SACCO from his friends, but he highly rejected the idea because of the problem he faced during Dergue regime. He explains the situation of cooperatives during Dergue regime as follows; *“During the time of Dergue regime I participated in cooperative association. But the only beneficial group from that organization were leaders of the organization and authorized persons from government.”* (Ashireka, 2011). This bad past experience influenced him and resulted in rejection of being member of SACCO. He explained that during foundation of SACCO he was insisting his friends not to become members of SACCO.

Mr. Ashireka explains the contribution of SACCO as follows; “Nowadays, the life of my friends and neighbors is significantly changed by contribution of SACCO. In our village, SACCO is

very important not only for its members but also for non-members like me.” He praises SACCO for providing him with a continuous job of 500 ETB per month and blames his previous perception about cooperative organizations. As a result of getting this continuous income from SACCO his children could go to school. He explained that before getting job in SACCO, only one of his four children could go to school by the help of the NGO BBCCCP.

He further explained that SACCO gradually resulted in accumulation of wealth for his family. Mr. Ashireka reported his progress in SACCO as follows “At the beginning of my employment in SACCO, I spent most amount of my salary to buy grains. But, gradually I started saving my money and with significant support from my wife I purchased 3 sheep and feed them properly until the ploughing time was reached.” After 3 months, said he sold his 3 sheep and got enough money to rent fertile land and oxen, purchase improved seeds and fertilizers. At the end of the last harvesting season, he got 8 quintals of maize. “This is a new life for my family, I could cover the annual food need of my family. For the rest of our need I have 500 ETB every month in the form salary from SACCO.”

Currently, he asked to become member of SACCO, but the rule or the organization has been changed and new applicants for becoming a member should pay equal amount of money to the dividend that pioneer members have. As a result SACCO asked him to pay 350 ETB, which is fivefold original membership fee. He has a plan to join this organization in this month by paying 350 birr in two times.

In general, the contribution of SACCO in this village is great and is difficult to mention. It avoided so many problems that existed in a long time in the society. For example, the settlement of mill grinder in this village omitted the transport cost and time required to transport to other nearby mill grinders. Beside to this, SACCO provided training that created awareness among the community so that they become active and concerned about saving and support themselves by participating in off farm income earning activities. Due to this fact, nowadays, perception and traditionally negative attitude of the society towards cooperative organizations and loan for development is changed. A number of non-members are now very interested to join the organization or to make other cooperative organization. But the cooperative membership payment has been increased to fivefold of the original payment which makes joining SACCO difficult for new comers.

4.3.6. The case of Mrs. Genet Bariso

Mrs. Genet Beriso is mother of three druthers and one son widowed woman. She lost her husband before 5 years because of sickness. When SACCO was founded in the village, she heard information from her neighbors, but she did not participate she was the only reposable person in her family due to absence her husband by death. She explains the situation as follows; “I do not have enough time to attend repeated meetings in any condition as it makes my family life heavy.”

She further explained that her perception about SACCO was not correct because of absence of exact and correct information. She reported about her livelihood as “I have been administering my family by farming which is very difficult to perform without any helpers in the family. The life of her family is very difficult especially after the death of her husband, consequently, in the last two year, my family and I have been included in safety net program.” (Genet, 2011)

She learnt a good lesson from her neighbor who is member of SACCO. Her neighbor has borrowed 1000 Birr from SACCO. Then she purchased sheep for the money, after 5 months she sold them and got a big benefit. In addition to this, reported Mrs. Genet, her neighbor has been leading her life in planned manner and focused on saving system as a result of the training she obtained from SACCO. This was an opportunity for Mrs. Genet to ask and gather reliable information about SACCO. Mrs. Genet explained that "After I observed her life and gather an exact information about SACCO, I have decided to become a member of this organization. I asked the organization to join but it requested me 290 Birr as member fee. However, I had no such amount of money at that time."

But the experience she got from her neighbor changed her attitude towards loan for development. She explains how the spillover from her neighbor influenced her life as follows, *"I borrowed 800 Birr from one person in our village and applied the way of my neighbors, I purchased 4 sheep I feed them for 3 months and finally i sold the whole and earned 2065 Birr, Then I paid my loan back and the rest of the money is now ready to buy improved seed and fertilizer."* (Genet, 2011)

In general, SACCO has played a significant role in the life of our community. However, it is becoming and becoming difficult for others to join SACCO because of the increasing dividend of the pioneers. Therefore, now Mrs. Genet wants to organize the non-members community together and create cooperative organization. She reported that BBCCCP has promised them to facilitate the pre-condition of for the foundation of alike organization.

4.4. Challenges and opportunities of SACCO

Challenges and opportunities of SACCO is given under different categories of the analysis, but it has been summarized in the following SWOT analysis table 3.

Table 7: Summary table of SWOT analysis for SACCO

Strengths	Weakness
<ul style="list-style-type: none"> ▪ Provides different services in low price for the member and non-member focuses on the main problem of the community. Like grain, commodity , grinding mill ▪ Decrease the west of time and cost by providing grinding mill service for members and non- members ▪ close relationships with other governmental and non-governmental organizations in the area ▪ Closely works with interested community ▪ Committed members to promote the 	<ul style="list-style-type: none"> ▪ Management and members have lack of required knowledge and skill in business management and administration to run the income of the cooperative and the loan ▪ lack of qualified man power, lack of the required knowledge and skills for giving training by itself for members on diversify their income. ▪ The loan is fixed in time and amount ▪ Weak planning system, limited participation, weak monitoring and evaluation system and inefficient bookkeeping system.

service of SACCO

- The major objective of SACCO has to improve the livelihood of the community not only profit

Opportunities

- To support non-governmental and governmental organization such as BBCCCP, Safety net and others
- recently the government policy has focused on cooperative considering the economy of the country especially for poor (low income people)
- The agriculture extension workers support the members by technical advice.
- Easily access to land other material(wood) for constriction of office, store from Village administrative.

Threats

- Insufficient infrastructure such as power, telecommunication, access to road and topography
- In sufficient technical advice from cooperative department
- Lack of integration from other organization like food security, cooperative and other financial institution due to lack of awareness and communication.
- Limited income source (do not join other union and financial institution)
- Climatic condition, Soil degradation, and rain fall fluctuations are the major challenges face the food security program.

Source: Author's computation, summary from field data of 2011

5. DISCUSSION

SACCO in hadha boso village has been playing encouraging role in food security of the community in general and member households in particular. The results from respondents, key informant interview and responses of representative of SACCO and head of food security department implied that the first and main contribution of SACCO at service level is transforming the attitude of the community with respect to saving and credit. Literatures indicate that one of the objectives of SACCOS is training rural households in their original place where there is less infrastructure and high illiteracy rate for other financial organizations to operate (for example, Mavimbela et al., 2010, Kebede et al., 2002). With respect to this SACCO in the hadha boso village has changed the perception of the local community towards loan for development.

SACCO has been playing a significant role in improving food availability and food accessibility of the community in general and member communities in particular. The results from the key informants showed that SACCO has improved the food security of members and non-members by enhancing their production and productivity whereas as the result from comparison of member and non member households confirmed that member households are more food secured than non-member households in the area of study. This is in line with the finding of Mavimbela et al., 2010, as they found in Swaziland that households those are members of SACCO produce more food crops than those who are non-members.

This contribution of SACCO can be categorized into direct and indirect, and on farm and off-farm. Unlike in developed countries, saving and credit cooperatives in developing countries do not give credit for direct consumption, as they need business plan of the borrowers in advance which is expected to be for production or trade than for consumption. However, SACCO in hadha boso village provides households with commodities for relatively lower prices than the local markets in the area so that they can make use of it during there is severe shortage of food. Hence, SACCO improves food accessibility for the community in the area. The indirect contribution of SACCO can be categorized into on farm and off-farm. The on-farm is attributed to the increase in productivity of households through investing the loan from SACCO on input such as fertilizer and improved seeds that improves the productivity of farm households. This finding supports the result of previous findings. For instance, Mavimbela et al., (2010) found the quantitative contribution of credit from saving and credit cooperatives and concluded that members who use loan from SACCO produce more food than households who do not take loan from SACCO. Moreover, literatures indicates that the credit from SACCO enhances production efficiency of farm households (Muhammad et al., 2003, Masuku, 2009)

Furthermore, households invest in farm businesses such as dairy farm that improves food availability by providing households with nutritious food and fetch income that can be used for purchase of other food crops so that it improves the food accessibility and utility of farm households. The finding in this thesis with respect to this is supported by the results from the study by Susan et al. 2002. Households investment in off-farm activities such donkey cart and village shop are good indicators not only for food security but also for overall advancement and transformation of the local community. This together with the establishment other service providers such as grind mill, SACCO enhances rural development and in the long run has a

potential to reduce migration from rural to urban thereby reduce the socio-economic problems due to migration from rural to urban. Susan et al. (2002) explains the contribution of cooperatives in this respect as cooperatives are expected to be tools to bringing socio-economic developments.

Though SACCO has paramount contribution in food security of farm households, its capacity is limited and currently only member households can directly benefit from its loan services. Some opportunities that SACCO can have to expand its capacity and make use of the available resources are such as positive view of current government for cooperatives in general and SACCO in particular, availability of other governmental and non-governmental organizations to share the vision of SACCO and work with it and positive impression of the community to encourage SACCO. However, SACCO has different challenges to become in contact with these organizations. Some of the challenges of SACCO are what are commonly applied for other cooperatives such as absence of skilled human resource which is resulted from the nature of cooperative management that focuses on commitment of the managers than their skills. The managers are appointed by members than employee from external market. Limited financial resources to serve their members to the level they demand and others. The findings of many researchers on cooperatives in general and SACCOs in particular identify these problems of SACCO.

The absence of skilled man power constrains SACCO not only from generating financial resources or other related services from external environment but also it hinders them from planning on how to invest or lend money that they have in their deposit.

6. CONCLUSION AND RECOMMENDATION

6.1. Conclusion

Food security is remaining major issue in developing countries in general and in Ethiopia in particular. Many policies are made, program are designed and projects are planned and implemented to assure food security and the overall rural development of the country. SACCO is among these organizations working to improve the food security of the society. Accordingly, SACCO in Hadha Boso village has created awareness about saving and credit in the society. It was initiated by BBCCCP and became to exist in the village before four years. Within this short period of its existence, it has played significant role in improving food security of the society. The community are happy with the services of SACCO especially in the trainings given for the improvement of their attitude towards loan for development. SACCO went beyond its goal and provided extra service for the community.

It provide services such as giving loan, promoting saving and saving money of its members, giving short and long term trainings concerning saving, loan and loan management, business activities. As a result, it contributed to changing the attitude of the community towards development loans; created opportunities for the poor to get access to finance and improve their production and productivity thereby improve food availability for their family. Furthermore, they could invest in small businesses such as fattening and generate extra income to purchase food that they cannot produce. This has significant influence on their food accessibility. Others even participated in expanded production activities and supplied much food to markets (for instance Mrs. Lomi).

Though there was observable difference between members and non-members of SACCO in terms of food security, the contribution of SACCO was not only limited to member households non-members are also beneficiary from its service (for instance look at the case of Mr. Ashireka, the mill grinder, Mrs. Genet who benefited from the spillover from her neighbor). Services such as establishment of grind mill in the nearby village and supply of food crops at cheaper price during food shortage are very important for both members and non-members of SACCO.

SACCO has opportunities such as working with different governmental and non-governmental organizations for its further development. However, it currently has many challenges. It has shortage of finance to lend to its members as much as they need both in terms of volume and time. This in turn constrains the members from exploiting their full potential for further growth. Another main constraint is absence of educated man power to invest the money they have in deposit and make flexible rules and regulations to make use of the available money.

Shortage of professionals in the district in general and in Hadha boso village in particular together with absence of infrastructure and transportation facilities are considered to be bottlenecks for further development of SACCO.

6.2. Recommendation

Though SACCO has certificate only for providing services of saving and credit, it is striving to provide marketing services for the community because of absence of other multipurpose cooperatives in the area. Hence, it is suggested if SACCO either focus on the saving and credit services as per the rule and regulation of SACCO or should get recognition for its beyond saving and credit services thereby should be certified as multipurpose cooperative.

The volume and duration of loan provision of SACCO has been remained within the initial agreement of leaders and members. It is better if SACCO revisit these rules since it has considerably large amount of money in its deposit. It is advisable for SACCO to improve the loan rotation among member households. It should depend on the interest of borrowers and the productivity of their time rather than arbitrary arrangement. Because of the fact that SACCO has more amount of money than at its beginning stage, the loan amount can also be increased to more than 1000ETB so that the members can make relatively long term investments for more amount of loan.

In order to enhance the activity of SACCO the agricultural and rural development office and department of food security have to support the operation with their professionals. The professionals have to focus specifically on building the capacity of SACCO staffs in planning, bookkeeping (accounting), monitoring and evaluation. Furthermore, the professionals have to support the community through advising them on selection of economic activities, choice of crops and timing of marketing for their products.

Most development agents are distributed in the area where there is at least transportation facilities. In this situation, farmers who live far from the area where there is such facilities do not get the service of DAs though their advice is important for every economic activity of the community. Hence, it is important that all farmers can get access to DAs by facilitating at least transportation animals.

There was no audit for the money SACCO have, SACCO leaders are not fully loyal for the members and there is no distinguished rules and regulations for the administration. This together with low education of the leaders, contributed to low performance of the cooperative. For cooperative that has capital of more 100, 000 ETB, Cooperative Bank of Oromia (CBO) sells share. Even though SACCO has much more capital, they cannot make use of this opportunity because of shortage of knowledge among leaders. Hence, the district cooperative departments has to look after the activities of SACCO in the hadha boso village and support them in how to get bank services, train the leaders to build their knowledge to enhance their performance of their contribution to food security of the community.

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Appendix 1: Interview schemes-English version

As has been explained in methodology, this interview scheme has four parts. In the first part the researcher asks a series of open ended questions to members of SACCO. In the second part non-members of SACCO will be asked relevant questions, the third part is for representative of SACCO and the final part reached head of food security department of Bureau of Agriculture and Rural Development. Consent form will be included in this interview scheme.

Part- I. For members of SACCO

- A. When did you become member of SACCO?
- B. How you get information of SACCO?
- C. What services SACCO provides to you?
- D. How SACCO provides services for its members?
- E. Do you have saving account with SACCO? If Yes, ask F-H. If no, why?
- F. Is it compulsory or voluntary saving?
- G. Is there minimum requirement to start saving?
- H. At what time do you save your money with SACCO?
- I. Have you taken loan from SACCO? If yes, ask J-S. If no, go to T
- J. How do you get loan?
- K. What is the maximum amount of loan you can get from SACCO?
- L. Is the money ear tagged for some activities?
- M. What criteria does SACCO have for giving credit?
- N. When the time of getting credit? Why?
- O. When is the time of repayment? Why?
- P. Who decide the time of repayment?
- Q. For what purpose did you use the money?
- R. Have you started any business (off-farm, non-farm, on-farm such as fattening, cash crop production, crop diversification, small animal production...etc) after getting loan?
- S. When you compare your family before and after becoming member of SACCO, is there difference in your income, income source, productivity, kind of food you purchase and eat..etc
- T. Can you borrow money if you want?
- U. How much can you borrow at a time?
- V. Are you satisfied with the overall services of SACCO? If no why?
- W. Do you get any training from SACCO?
- X. How are the trainings useful?
- Y. What are the challenges of SACCO?
- Z. What are the opportunities of SACCO for further development?

Thank you for your time and opinion!

Part-II. Non-members of SACCO

- A. Do you have information about SACCO?
- B. Why do not you become member of SACCO?
- C. Are there barriers to become member of SACCO? If yes, what are they?
- D. Do you think that the call for becoming members is biased?

- E. Have you asked to become a member of SACCO? If yes, what was the response? If no, why?
- F. Do you have interest to become member of SACCO? If yes, when?
- G. Do you know the services SACCO provide to its members?
- H. Do you have information about how the members are satisfied with SACCO's service?
- I. Is there a service that SACCO provides for non-member? If yes, have you ever get access to?
- J. Do you know somebody whose livelihood has been improved after becoming member of SACCO? If yes, how improved (such as participating in some income earning activities, purchasing livestock, growing crops, improved food... etc) that can be seen by neighbours?
- K. Do you observe any difference between members and non-members of SACCO?
- L. Do you know somebody who faced additional problem as a result of becoming member of SACCO? If yes, what do you the reason is?
- M. What do you think about the challenges and opportunities of SACCO?

Thank you for your time and opinion!

Part-III. Representative of SACCO

- A) How did you establish SACCO?
- B) What is the vision of SACCO?
- C) What is the mission of SACCO?
- D) What is the goal of SACCO?
- E) How many members do you have? How many of them are female headed?
- F) How do you call people to become members of SACCO?
- G) What are the criteria to become member of SACCO?
- H) Do you give equal chance for the poor (such as female headed) and better-off households?
- I) What type of services do you deliver for your members?
- J) How do you services for the community your members?
- K) Are there services that you provide for non-members?
- L) How do you promote the service of SACCO to community?
- M) Are you satisfied with the services you provide?
- N) How do you get feedback from your members about their satisfaction with your services?
- O) How to evaluate the satisfaction of the members?
- P) To what extent have you achieved your goals?
- Q) What are the major challenges for SACCO to achieve its goals?
- R) What opportunities does SACCO have for further development?
- S) What is the service of SACCO for the community?
- T) Do you give (extra) training for the members?
- U) When the regular time of saving and credit time is?
- V) Do you think that SACCO contributed for food security of its members? If yes, how?
- W) Can you give example of household whose livelihood has been improved after becoming member of SACCO?
- X) Can you give me an example of household whose life has been worsened after becoming member? What reason do you think?

Thank you for your time and opinion!

Part -IV. Representative of Food security

- A. Do you have relation with SACCO? If yes, when did you start the relation? If no, why?
- B. Does SACCO understand the food security agenda of your bureau? Do you have common vision?
- C. What is the contribution of SACCO for food security of its members?
- D. Is there difference between the members and non-members of SACCO based on food security (Availability and access)?
- E. Do have information about somebody who can be model in food security after becoming member of SACCO? If yes, can you say something about this household?
- F. Do you know somebody whose livelihood has been worsened after becoming member of SACCO? If yes, can you say something about this household?
- G. Do you have information about services SACCO provides to its members?
- H. How do you evaluate the service of SACCO relative to other similar organizations?
- I. What do you think as major challenges of SACCO?
- J. What do you think about opportunity of SACCO for further development?

Thank you for your time and opinion!

APPENDIX 2 : Interview schemes - local language (Affan oromo version)

Seensa

Qo'annaan kun kan adeemsifamu bu'aa SACCON nyaataan of-danda'uu uummataa irratti qaburratti yemmuu ta'u, kan inni adeemsifamus barattuu "Master Degree" kan taate Tigist Eshetu Huluka tiini. Qo'attuun kun kan isheen barattu Yuuniversitii Laarenstaayen, Netherland sagantaa "Food Security and Rural Development" jedhamuun yemmuu ta'u, qo'annaashee isa dhumaa mata-duree kanarratti hojjechaa jirti. Gaaffileen kutaa afuritti qoodamanii gaafatamu. Inni duraa kanneen miseensa SACCO ta'an qofaaf kan qophaa'e yoo ta'u, kutaan lammaffaan kanneen miseensa hin taaneef, kutaan sadaffaan bakka bu'aa SACO tiif, akkasumas kutaan arfaffaan "Head of Food Security Department of Bureau of Agriculture and Rural Development" irraa odeeffannoo argachuuf kan qophaa'e ta'a.

Hirmaannaan keessan guutumaa guutuutti fedhii irratti kan hundaaye yoo ta'u, odeeffannoon isin kennitan hundi iccitiidhaan kan eegamuu fi qaama kamiin illee akka hin sakatta'ame, akkasumas qo'annaa kana qofaaf malee waan biraatiif akka itti hin fayyadamne isiniifan mirkaneessa. Odeeffannoon sassaabamu kunis walitti dhufee barreeffama malee maqaa keessaniin kan adda bahee hin teenye ykn yoo fedhii keessan ta'erraa kan hafe, maqaa keessanii fi odeeffannoo isin kennitan jidduu walitti dhufeenyi akka hin jirre isniifan mirkaneessa.

Kutaa 1ffaa. Miseensota SACCO tiif: A. gaaffilee walii galaa

- A. Yoomii eegaleetu kan miseensa SACCO taatan?
- B. Odeeffannoo waayee SACCO akkamiin argattani?
- C. SACCON tajaajila akkami isiniif kenna?
- D. SACCON akkamiin tajaajila isiniif kenna?
- E. Debtarii qusannaa qabduu SACCO biraa? Yoo deebiin 'E' eeyeen ta'e, F-H tti kan jiru gaafadhu yoo lakki ta'e maaliif jedhii gaafadhu
- F. Qusannaan keessan dirqamaan moo fedhiidhaan?
- G. SACCOtti qusachuu jalqabuuf yoo xiqqaate ammamtu nama barbaachisa?
- H. Qarshii keessan yeroo akkam akkamii qusattu?
- I. SACCO irraa liqaa fudhattanii beektuu? Yoo deebiin 'I' eeyee ta'e, J-R tti kan jiru gaafadhu. Yoo lakki ta'e garuu gara T deemi
- J. Liqaa akkamiin argattu? Fkn gareedhaan moo kophaatti ni danda'ama ...kkf?
- K. Qarshiin guddaan isin SACCO irraa liqeeffachuu dandeessan meeqa?
- L. Dhalli qarshii SACCO irraa liqeeffattanii meeqa?
- M. Qarshii isin liqeeffattan duraan dursitanii waanuma jettanirra oolchuu qabduu?
- N. SACCO irraa qarshii liqeeffachuuf ulaagaalee maaltu guutamuu qaba?
- O. Yeroo akkamii SACCO irraa liqaa fudhachuun danda'ama? Yoo yeroo murtaawaa qabaate, maaliif jedhii gaafadhu
- P. Yeroon itti kaffaltan murtaawaa dha? Yoo eeyee jedhan, maaliif jedhii gaafadhu
- Q. Yeroo kaffaltichaa eenyutu murteessa?
- R. Qarshii SACCO irraa liqeeffattan maaliif itti fayyadmtan?

- S. Hojii akka galii qonnaa alaa, business qonnaa kan akka horii furdisuu, midhaan gabaa (cahs crop) oomishuu, midhaan gosa adda-addaa oomishuu, Lukkuu horsiisuu....kkf eegaltaniittuu)
- T. Yoo barbaaddan qarshii liqeeffachu ni dandeessuu?
- U. Yeroo tokkotti ammam liqeeffachuu dandeessu?

B. Faayidaa SACOn nyaataan of danda'uu irratti qabu (Contribution of SACO in households food security)

A. Haala jiruuf jireenya miseensotaa, miseensa SACCO ta'uu duraa fi booda

- a. Osoo miseensa SACCO hin ta'iin dura, baay'inaan maal oomishtu ture? Gosa midhaan isaan oomishanii gaafadhu.
- b. Erga miseensa SACCO taatanii haalli oomisha keessanii jijjirameeraa? Fkn kan dur hin oomishne maalfaa oomishuu jalqabdani? Oomishtummaa keessan dabaleeraa? Yoo eeyee ta'e, fkn maal faatu dabale? Ammamiin dabale?...kkf
- c. Osoo miseensa SACCO hin ta'iin dura midhaan isin oomishtan ji'a meeqaaf isin gaha ture? Yoo waggaadhaan hin gawu ta'e, yeroo isa hafe midhaan eessaa argattu?
- d. Edda miseensa SACCO taatanii boodahoo ji'a meeqaaf isin gaha? Yoo waggaadhaan isin hin gahu ta'e midhaan eessaa argattu?
- e. Midhaan gosa hunda oomishuun rakkisaa ta'uu danda'a, kanaaf midhaan isa ofii hin oomishne bitachuuf qarshii eessa argattu?
- f. Otuu miseensa hin ta'iinii fi erga miseensa taatanii booda maddi itti qarshii argattan jijjirameera?
- g. Erga miseensa taatanii hojilee madda galii keessan isiniif baay'isanitti hirmattanittuu? Yoo eeyee ta'e maalfaa? Yoo lakkii ta'e maaliif?
- h. Erga miseensa SACCO tataanii horii bittanii dabalattan qabduu? Lakkoofsaa fi gosa horiitiin otuu addaan bahee gabateedhaan taa'ee bayeessa. Horii gaanfaa, kotte dudaa, bushaayee (hoolaa + re'ee), Lukkuu...kkf
- i. Miseensa SACCO ta'uun keessan akka ijoolleen keessan rakkoo malee baratan isin gargaareeraa? (yoo ijoollee barattu qabataan)
- j. Walumaagalatti yeroo haala maatii keessanii miseensa ta'uu duraa fi booda ilaaltan waan fooyya'e isinitti fakkaataa?

B. Ilaalcha miseensotni Tajaajila SACCO irratti qaban

- a. Tajaajila SACCON isiniif kennutti gammaddaniittuu? Yoo lakkii ta'e, maaliif?
- b. SACCON tajaajila leenjii adda-addaa isiniif kennaa? Yoo eeyee ta'e, maal irratti?
- c. Yoo 'b'n eeyee ta'e, tajaajilichi isin fayyadeeraa? Yoo lakki ta'e, maaliif?
- d. Yoo 'c' maalfaa isin fayyade?

C. Rakkoo fi carraa SACCON gara fuulduraatti qabu (Challenges and opportunities)

- a. Rakkoon SACCO inni gurguddaan maal fa'i?
- b. Akkam yoo godhe SACCON rakkoo kana fura jettanii yaaddu?
- c. Gara fuulduraatti SACCON akka guddatu haalonni jiran maal isinitti fakkaatu?

Hirmaannaa keessaniif galatoomaa!

Kutaa 2ffaa. Warra Miseensa SACCO hin taaneef

- A. Waayee SACCO odeeffannoo qabduu?
- B. Yoo 'A' eeyee ta'e, maaliif miseensa SACCO hin taaneree?
- C. Miseensa SACCO ta'uuf wanti nama dhoowwu jiraa? Yoo eeyee ta'e maalfaa?
- D. Waamicha miseensa ta'uu keessatti loogii jira jettanii yaadduu?
- E. Miseensa SACCO ta'uuf gaafattanii beektuu? Yoo eeyee ta'e deebiin isaanii maal ture? Yoo hin gaafanne ta'e maaliif?
- F. Miseensa SACCO ta'uuf fedhii qabduu? Yoo eeyee ta'e yoomii eegalee, yoo lakkii ta'e, maaliif?
- G. Tajaajila SACCON miseensota isaatiif kennu beektuu? Yoo eeyee ta'e maal fa'i?
- H. Tajaajilli isaa gaariidha jettanii yaadduu?
- I. Miseensonni SACCO tajaajilichatti gammadoodhaa?
- J. SACCO warra miseensa isaa hin taaneef tajaajila ni kennaa? Yoo eeyee ta'ee, tajaajila akkamii?
- K. Tajaajila SACCO argattanii beektuu? Yoo eeyee ta'e, tajaajila SACCO miseensotaaf warra miseensota hin taaneef kennu gidduu garaa garummaan jiraa?
- L. Nama ykn maatii miseensa SACCO ta'uudhaan jireenyi isaa fooyya'e beektuu? Yoo eeyee ta'e, akkamitti, maaliin fooyya'e? (kan miseensotni jedhan waliin madaali)
- M. Nama ykn maatii miseensa SACCO ta'uudhaan jireenyi isaa daran miidhamehoo beektuu? Yoo eeyee ta'e, akkamitti?

B. Haala jireenya warra miseensa hin ta'iinii

- a. Baay'inaan midhaan maalfaa oomishtu?
- b. Midhaan isin oomishtan waggaa guutuu isin gahaa? Yoo lakki ta'e, maaliin waggaa guutuu jiraattu?
- c. yoo 'b'n lakkii ta'e, midhaan bitachuuf qarshii eessaa argattu?
- d. yoo 'b' eeyee ta'e, midhaan ofii hin oomishne bitachuuf qarshii eessaa argattu?
- e. Baay'inaan horii akkamii horsiftu? Akkuma kan warra miseensotaa gabateedhaan guuti
- f. Hojii qonnaatiin ala, madda galii kan biraa qabduu? Yoo eeyee ta'e maalfaa?
- g. Madda galii sanarraa tilmaamaan waggaatti ammam argattu?

C. Rakkoo gurguddaa fi carraa SACCON gara fuulduraatti qabu

- a. Rakkoon gurguddaan SACCON amma qabu maali jettanii yaaddu?
- b. SACCON rakkoo isaa furee guddachuuf osoo maal godhee gaarii ta'a jettanii yaaddu?
- c. SACCON akka guddatuuf haalonni miijawoo ta'an maalfaatu jira jettanii yaaddu?

Hirmaannaa keessaniif galatoomaa!

Kutaa 3ffaa. Bakka bu'aa SACO tiif

- A. SACCON yoomii fi akkamitti dhaabbate?
 - B. Mul'atni (vision) SACCO maali?
 - C. Ergamni (mission) isaahoo?
 - D. Kaayyoon (goal, objective) SACCO maali?
 - E. Miseensota meeqa qabdu? Meeqan isaaniitu dubartiidhaan bula (female headed)?
 - F. Mala kamiin akka namni miseensa SACCO ta'u gootu?
 - G. Miseensa SACCO ta'uuf ulaagaan keessan maal fa'i?
 - H. Miseensa SACCO ta'uuf namoota hundumaaf carra wal qixa ta'etu kennamaa? Fkn haadha hiyyeessaa, soreessaa fi hiyyeessaan addaan baasuun jiraa?
 - I. Miseensota keessaniif tajaajila akkamii kennitu?
 - J. Miseensotaaf tajaajila akkamitti kennitu? (fkn tajaajila qusannaa fi liqaa)
 - K. Tajaajila qusannaa ni kennituu? Yoo eeyee ta'e, qusannaan meeqaa eegaleetu?
 - L. Nama akkamiitu dabtara qusannaa banachuu danda'a?
 - M. Yeroo akkam qusachuu danda'u?
 - N. Miseensota keessaniif liqaa ni kennituu? Yoo eeyee ta'e ulaagaalee akkamii guutuu qabu?
 - O. Yeroon itti liqaa kennitan murtaawaa dhaa?
 - P. Namni tokko yoo baay'ate amma liqeeffachuu danda'a?
 - Q. Warra miseensa SACCO hin taaneef tajaajila kennitan qabduu? yoo eeyee ta'e, maal fa'i?
 - R. Akkamitti tajaajila SACCO uummatatti beeksiftu?
 - S. Tajaajila miseensotaaf kennaa jirtanitti gammaddaniittuu?
 - T. Akkamittiin komee ykn galata uummanni tajaajila keessaniif qabu odeeffattu?
 - U. Uummatni tajaajila keessanitti gammaduuf dhiisuu isaa akkamitti madaaltu?
 - V. SACCON kaayyoo isaa ammam galmaan ga'ateera (fkn galmee isaanii ilaaluun ni danda'ama)
- B. Faayidaa SACCON nyaataan of-danda'uu irratti qabu (role of SACCO in food security)
- a. SACCON Miseensotni nyaataan akka of danda'an bu'aa buuseera jettanii yaadduu? Yoo eeyee ta'e bu'aa akkamii fi akkamitti?
 - b. Maatii miseensa SACCO ta'uudhaan jireenyi isaanii fooyya'e natty himuu dandeessuu? Yoo eeyee ta'e, eenyu?
 - c. Akka jireenyi isaanii fooyya'u kan godhe wantootni gurguddaan maali jettanii yaaddu?
 - d. Maatii miseensa SACCO ta'uudhaan jireenyi isaanii kan duraa tii gadi ta'e natty himuu dandeessuu? Yoo eeyee ta'e, eenyu? Akka jireenyi isaanii akkana kanneen godhan gurguddaa maal isinitti fakkaatu?

C. Rakkoo gurguddaa fi carraa SACCON guddinaaf qabu

- a. Rakkoon gurguddaan SACCON qabu maal fa'i?
- b. Rakkoolee isin mudataa turaniif akkamitti furmaata itti kennitu
- c. Carraan SACCON gara fuulduraatti qabu maali jettanii yaaddu?
- d. SACCON waajiroota kam-kam faana qalitti dhufeenya qaba? Faayidaa akkamii isaaniiif kenna, isaanirras argata?

Kutaa 4ffaa. Dura taa'aa departimentii "food security" tiif

- A. SACCO wajjin walitti dhiyeenyaan hojjettuu? Yoo eeyee ta'e, walitti dhufeenyi keessan yoomii eegaleetu, yoo lakki ta'e maaliif?
- B. SACCON sagantaa nyaataan of-danda'uu isin wabdan quba qabaa? SACCO waliin mul'ata waliinii qabdu?
- C. Namoonni akka nyaataan of-danda'an SACCON bu'aa buuseera jettanii yaadduu?
- D. Warra miseensota SACCO ta'aniif warra hin taane jidduu garaagarummaan jira nyaataan of danda'uu jira jettanii yaadduu?
- E. Maatii miseensa SACCO ta'ee nyaataan of-danda'uu keessatti fakkeenya ta'a jettanii yaaddan qabduu? Yoo eeyee ta'e, waayee maatii kanaa waan jettan qabduu ykn maaltu akka akkana ta'an gargaare jettanii yaaddu?
- F. Maatii miseensa SACCO ta'udhaan jireenyi isaanii kan duraatii gadi ta'e beektuu? Yoo eeyee ta'e, maaltu akkana godhe jettanii yaaddu?
- G. Waayee tajaajila SACCON miseensota isaatiif kennuu odeeffannoo qabduu?
- H. Tajaajila SACCON kennu kana kan dhaabbata isa fakkaatanii waliin wal bira qabdanii akkamitti madaaltu?
- I. Rakkoon SACCO inni guddaan maal jettanii yaaddu?
- J. SACCON caalatti akka guddatuuf carraa akkamii qaba jettanii yaaddu?

Waan odeeffannoo naaf kennitaniif galatoomaa!