

Operational and Financial Performance of Farmer Cooperatives in Tanzania

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ABSTRACT

This chapter reviews the policy developments and the operational and financial performance of farmer cooperatives in Tanzania, with emphasis on the second half of the last decade. It recommends careful planning of the restructuring process, improvements in financial management and accountability, training of key cooperative personnel, and promotion of full democratization of the farmer cooperative system. Before independence cooperatives were formed largely as business enterprises and organized from the "grass root" level by members on a democratic basis. However, after independence the state reversed this policy, and cooperatives were then organized on a "top-down" approach under a political environment that was largely unsympathetic to principles of cooperative development. A multipurpose cooperative society was expected to engage in a variety of activities for its members including crop production and marketing, input supply, running of consumer shops, provision of social services, etc.