

**DETERMINATION OF SATISFACTION LEVEL OF FARMERS FROM
AGRICULTURAL CREDIT COOPERATIVE ACTIVITIES:
A CASES OF ÇELTIKÇI DISTRICT OF BURDUR**

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Abstract

Agricultural cooperatives provide benefits to member farmers on both input and output issues. There are many numbers of agricultural cooperatives and the numbers of members in Turkey. However, there are debates on their effectiveness. This study was aimed at measuring the level of satisfaction of the members of Agricultural Credit Cooperative in the Çeltikçi district of Burdur province. The second aim of the study was determined the problems of the members about the cooperative services, and determine the problems affecting the use of the products of the cooperative. Finally, it was determined the recommendations of the members to increase the use of the cooperative products. The data used in the research belonged to 2013. Data were obtained from 132 farmers whom a member of the Agricultural Credit Cooperative with surveyed. It was determined that the services provided by the agricultural credit cooperative not be satisfied with the diesel, insurance, quality of feed, feed price, feed credit, feed variety. However, members were generally satisfied with the quality and variety of the products. In order to increase the efficiency of cooperative use, the interest rates should be lowered, the input prices should be brought to the appropriate level, and information should be provided to the members of the cooperatives. It is suggested that interest policy which is applied to the loans offered to members of the cooperative in the course of research should be restructured in the quality of its products and product sales policies. By the information obtained, it can be stated that the cooperative has moved away from its institutional aims and has become a profit-oriented institution from the point of view, and has not observed the satisfaction and benefits of its members adequately. In order to be more useful to the members, the cooperative should be provided with the services of its members by the aims of the establishment, and this should be put into the above mentioned recommended practices.

Key words: Agricultural credit cooperatives, satisfaction, farmer, Burdur, Turkey

INTRODUCTION

Cooperatives in Turkey, which began with Homeland Funds by Mithat Pasha in the Ottoman era began in 1863. In the Republican era, today's modern sense of cooperatives was established under the leadership of Mustafa Kemal Atatürk (Mülayim, 2003).

Agricultural Credit Cooperatives, Agricultural Sales Cooperatives, and Agricultural Development Cooperatives are the most important agricultural cooperative types in Turkey (Özdemir, 2005). The number of members of these cooperatives increased significantly. However, agricultural cooperatives have the only limited impact on the country's economic, social and industrial development and democratisation of the agricultural sector and society. At this point, some fundamental problems are considered as finance, integration, training and research, administration, legislation, and auditing areas (Mülayim, 2003).

Agricultural Credit Cooperatives ranks second regarding a number of members in cooperatives in Turkey. Law No. 1581 on the establishment and operation of Agricultural Credit Cooperatives entered into force on 18.04.1972. The provisions of the Cooperatives Act No. 1163 are applied to the matters not included in this law (Mülayim, 1998; Karli et al., 2018).

One of the first roles of Agricultural Credit Cooperatives is to provide credit to its members. Agricultural Credit Cooperatives also provide inputs (fertiliser, chemicals, seeds, i.e.), purchase agricultural products, and provide groceries (Tanrivermis and Bayaner, 2006).

In Figure 1, agricultural loans' share of the Burdur and Turkey in total loans were given between the years 1988-2017. The share of agricultural loans in Turkey from 16.21% in 1988, fell 3.31% in 2017. In Burdur province, it decreased from 51.02% to 18.21%. This proportional decline is not reflected in the absolute decline. During these years, agricultural loans increased 2.81 times in Turkey, in the province of Burdur 4.36 fold increased.

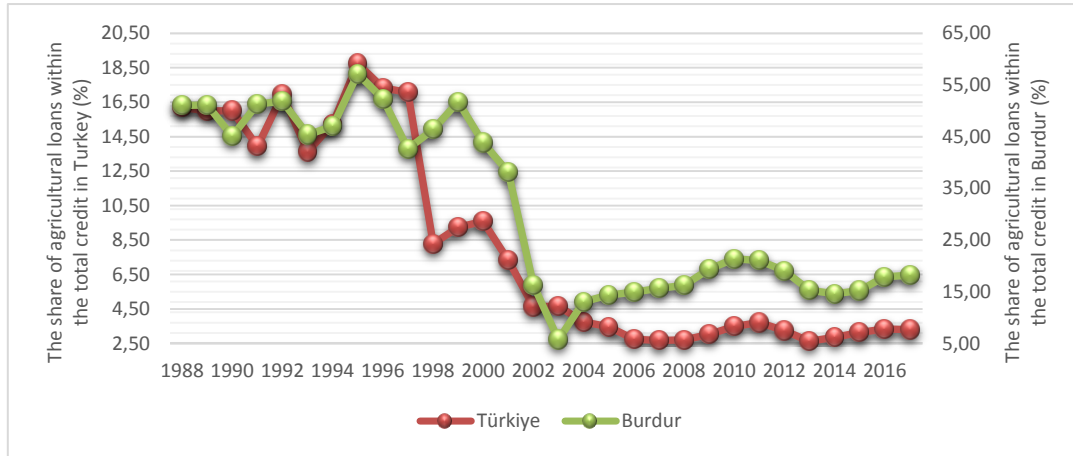


Figure 1. The share of the agricultural loan in total

Agricultural credit cooperatives are important institutions in Turkey and the region and provide to members cash loans, as well as the commodity credits. However, there are discussions about the effectiveness of these cooperatives. This paper focused on Agricultural Credit Cooperatives-members relations in the Burdur province in Turkey. Concerning structural features of Turkish agriculture, Agricultural Credit Cooperatives are important and necessary organisations. They are one of the significant formal lending institutions in Turkish agriculture. Thus, Gürbüz and Gül (2016) determined that the farmers in Burdur province who used credit from the formal credit institution as their financial source were 57%, 17% used non-formal institutional credit and 26% as self-financing.

Özdemir et al. (2014) found that the most important problems between cooperatives and participants were higher price forecast, the deduction of capital that associated with the price of the product and the payments are not in advance in Afyonkarahisar.

In this study, Çeltikçi district of Burdur was chosen. In the district, the Agricultural Credit Cooperative takes the first place among the total cooperatives concerning a number of members.

This study was aimed to measure the level of satisfaction of the members of Agricultural Credit Cooperative in the Çeltikçi district of Burdur province. Also it was determined the problems of the members about the cooperative services and determined the problems affecting the use of the products of the cooperative. Lastly, it was determined the recommendations of the members to increase the use of the cooperative products.

MATERIALS AND METHODS

Data was obtained from farmers whom a member of the Agricultural Credit Cooperative from Çeltikçi district. Data was gathered with the survey method. Fieldwork was conducted in 2013.

There are two agricultural credit cooperatives in the Çeltikçi district (Table 1). The Agricultural Credit Cooperative member was interviewed with 132 farmers in the study area. This number was 14.18% of the total cooperative's members.

The farmers interviewed were divided into two groups according to the farmland criteria. The first group owns less than five hectares, while the second group has five hectares and more farmland. The data collected from the identified farmers were transferred to the computer, calculations were made, and tables were created. These tables were interpreted using absolute and relative distributions.

Table 1. Number of agricultural credit cooperative members in the research area

Cooperative	Members numbers
No. 2058 Çeltikçi Agricultural Credit Cooperative	650
No. 2869 Bağısaray Agricultural Credit Cooperative	281
Total	931

RESULTS

The data on the educational status of the farmers interviewed in the research area were given in Table 1. The 59.54% of the farmers had education at primary school, 23.66% at middle school, 12.98% at high school and 3.82% at junior college education level. Large-scale farmers had higher college graduation rates. In general, the level of education of the farmers in the study was at the primary school level (Table 2).

Table 2. Education levels of interviewed farmers (%)

Group	Primary school	Secondary school	High school	Junior college	Total
I	58.66	26.92	12.50	1.92	100.00
II	62.97	11.11	14.81	11.11	100.00
Total	59.54	23.66	12.98	3.82	100.00

The average age of the farmers surveyed was calculated as 52.8 years (Table 3). There was no statistical difference between the farmer ages and the farm width groups.

Farmers' experience in agricultural production was more than 31 years on average (Table 3). There is also no statistical difference between farmers' experience periods and farm width groups. Farmland was 3.03 hectares in farms average, 1.67 hectares in small-scale farmers, and 8.31 hectares in large-scale farmers. Household size was 3.52 in farm average. Large-scale farmers were younger, had fewer agricultural experiences and had more farmland.

Table 3. Farmer age and duration of experience in the agricultural activity

Group	Age (years)	Experience (years)	Household size (person)	Farmland (hectare)
I	54.67	31.94	3.52	1.67
II	49.07	28.96	3.56	8.31
Average	53.52	31.33	3.53	3.03

In Table 4, the interviewed farmers' training on agricultural activity were given. Overall, the level of training in agricultural activity in the region was low. While 12.50% of small-scale farmers were trained in agricultural activity, 11.11% of large-scale farmers had trained in agricultural activity.

Table 4. Farmers' training in agricultural activity (%)

Group	Yes	No	Total
I	12.50	87.50	100.00
II	11.11	88.89	100.00
Total	12.21	87.79	100.00

The 16% of the farmers were registering their businesses. However, this record keeping process was not a professional sense. It was found that small-scale farmers keep records longer than large-scale farmers. Computer ownership and usage of the internet were higher in large-scale farmers (48.10%) than small-scale farmers (26.90%). Bovine animals were nine heads in farms average, six heads in small-scale farmers, and 21 heads in large-scale farmers. Sheep farm was ten heads in the average of farms. Large-scale farmers had more animal assets. The 48.48% of the farmers were only cattle breeding, 1.53% of farms was only small ruminant breeding, and 13.64% was cattle and small ruminant breeding, 36.36% of the farms were not involved in any animal husbandry activity (Table 5). It was found that the livestock types preferred by farmers were dairy cattle and fattening (Table 6).

Table 5. Livestock breeding status of farmers

Group	Livestock type (%)				Total
	Cattle	Small ruminant	Both	None	
I	47.62	1.91	9.52	40.95	100.00
II	51.85	-	29.63	18.52	100.00
Total	48.48	1.53	13.64	36.36	100.00

Table 6. The main aim of the farmers in animal husbandry

Group	Livestock type (%)			Total
	Milk	Fattening	Both	
I	44.26	1.64	54.10	100.00
II	40.91	4.54	54.55	100.00
Total	43.37	2.41	54.22	100.00

Production of grain and feed crops in the region is widespread. When the proportional distribution of farmers' farmland usage was examined; half of the total farmland was devoted to cereal production (48.89%). This was followed by the feed crops area (29.65%), vegetable area (11.49%), fallow area (5.48%), fruit area (2.75%) and greenhouse area (1.74%) (Table 7).

Table 7. Farmland use

Group	Farmland use (%)						Total
	Fallow land	Cereal	Feed crops	Fruit	Vegetables	Greenhouse	
I	2.22	47.95	20.42	5.02	20.77	3.62	100.00
II	8.02	49.62	36.87	0.98	4.24	0.27	100.00
Total	5.48	48.89	29.65	2.75	11.49	1.74	100.00

According to farm sizes, gross production value changes according to production branches. It was determined that 46.17% of the gross production value of the farmers was in animal production, 39.97% in crop production, and 13.86% in greenhouse farming.

It was determined that the gross production value provided by small-scale farmers from greenhouse and crop production was higher than others, while large-scale farmers were higher gross production value from animal production (Table 8).

The share of non-agricultural income in total incomes was 33.30% in farms average, 38.36% in small-scale farmers, and 20.70% in large-scale farmers. Small-scale farmers were earning more non-agricultural income than others.

Table 8. Distribution of farmers' gross production value (GPV) by branch

Group	Total GPV (%)			Total
	Crop Production	Greenhouse	Animal production	
I	46.15	19.86	33.99	100.00
II	28.00	2.24	69.76	100.00
Total	39.97	13.86	46.17	100.00

While there is no statistical difference between the land-width group and the use of credit, the farmers' use of foreign resources has increased as farm sizes increase. About 54.2% of the farmers surveyed used credit.

Compared to 2000, it was determined that the loan amount used by farmers in 2012 was increased and the debt burden was increased due to the increase in loans.

The membership time of farmer to the Agriculture Credit Cooperatives was predominantly 1993. Farmers who are early members of the Agricultural Credit Cooperative are mostly small-scale farmers. The advantages of cooperating with farmers were also asked. These advantages were stated to provide fertiliser, pesticide, feed, fuel-oil at the more suitable amount and price.

In the research area, farmers' use of commodity credits and cash loans had been examined during the 2012 production season. The 55.0% of commodity credit used and 37.23% of cash loans by farmers received from the Agricultural Credit Cooperative. The services used in the Agricultural Credit Cooperative were fertiliser, pesticide, fuel-oil, instrument-equipment and agricultural insurance. The low rate services they provided from the Agricultural Credit Cooperative were fuel-oil and feed.

It was determined that the farmers interviewed were not more satisfied with the diesel, insurance, quality of feed, feed price, feed credit, feed variety of the Agricultural Credit Cooperative (Table 9).

The subjects that the members of the Agricultural Credit Cooperative were pleased with were the quality and variety of the products. It was observed that there were differences between small-scale farmers and large-scale farmers average in the case of satisfaction (Table 9).

Table 9. Satisfaction levels of members from Agricultural Credit Cooperatives

Agricultural credit cooperatives services	I	II	Average
Fertiliser diversity of cooperative	3.65	3.89	3.70
Cooperative quality of fertiliser	3.60	3.93	3.66
The quality of the pesticides of the cooperative	3.48	3.41	3.47
Variety of pesticides in cooperative	3.40	3.33	3.39
Approaches of members of the cooperative's members	3.30	3.52	3.34
The sales environment of the cooperative	3.34	3.19	3.31
The products I offer are better able to meet my needs	3.29	3.19	3.27
Location-Proximity*	3.06	3.48	3.15
I get better service	3.05	3.19	3.08
Terms of payment	2.99	3.30	3.05
Maturity applied	2.99	3.11	3.02
The quality of the cooperative commodity credits *	2.98	3.07	3.00
Technical information of the cooperative	3.04	2.74	2.98
The amount of commodity credits of the cooperative *	2.83	3.07	2.88
Equipment-equipment quality of the cooperative	2.85	2.93	2.86
Cooperative loan **	2.64	3.26	2.77
Conditions of cooperative commodity credits	2.73	2.85	2.76
Allocated cash credits limit	2.67	2.85	2.71
The amount of cash credits of the cooperative	2.64	2.93	2.70
Allocated commodity credits limit	2.64	2.93	2.70
Conditions of cooperative cash credits	2.62	2.78	2.65
Pesticides loans	2.55	2.56	2.55
Variety of equipment-equipment	2.51	2.33	2.47
Interest rate ***	2.27	2.96	2.41
Price of equipment and tools	2.22	2.30	2.24
Prices are more affordable *	2.13	2.56	2.22
Equipment-equipment loan	1.95	2.22	2.01
The quality of the fuel oil	1.43	1.96	1.54
Fodder diversity **	1.36	2.07	1.50
Fodder loan *	1.33	1.96	1.46
Fodder quality***	1.24	2.26	1.45
Fodder price*	1.22	1.89	1.36
Fuel oil credit	1.13	1.67	1.24
Price of fuel oil	1.19	1.56	1.27
Agricultural insurance credit	1.25	1.00	1.20

* There are differences in the level of 9%

** There are differences in the level of 5%

*** There are differences in the level of 1%

Scales 1. *Very bad* 2. *Bad* 3. *Middle* 4. *Good* 5. *Very good*

Small-scale farmers were found to be using less of the credit types of the Agricultural Credit Cooperative compared to large-scale farmers. In particular, farmers who did not use fertiliser, feed, fuel-oil, and cash loans were in small-scale farmers (Table 10).

Table 10. Members of the agricultural credit cooperative do not benefit from the loan types of the cooperative

Types of credits of Agricultural Credit Cooperatives	I	II	Total
		%	
Commodity credits	4.81	7.41	5.34
Cash credits	6.73	3.70	6.11
Fertiliser credit	4.81	-	3.82
Pesticides credit	6.73	22.22	9.92
Fuel oil credit	59.62	44.44	56.49
Agricultural insurance credit	59.62	62.96	60.31
Tool&manchinery credit	23.08	29.63	24.43
Fodder loans	55.77	25.93	49.62

It seems that the input pricing policies, the product and service quality policies, and the interest policy should be improved for the members of the agricultural credit cooperative. The results of these remediation studies have been shown as a reason for the fact that members are less satisfied with the services of Agricultural Credit Cooperative.

When the reasons for not actively using the farmers as members of the Agricultural Credit Cooperative were examined, high-interest rates, high input prices, short duration of loan maturities were highlighted. The low credit limit provided by the Agricultural Credit Cooperative was also included in the reasons for not using the cooperative actively (Table 11).

For the use of more cooperative products by member farmers, it was emphasised that it should bring input prices to an appropriate level, provide appropriate commodity and cash loans, and reduce interest rates

Table 11. Reasons for not actively using the Agricultural Credit Cooperative in case of membership

Reasons for not using	I	II	Average	
High loan rates	3.46	3.41	3.45	
High fertilizer prices	3.34	3.37	3.34	
Pesticides high prices	3.29	3.30	3.29	
Credits are in short run	3.29	3.19	3.27	
High instrument-equipment prices	3.23	3.19	3.22	
High fuel oil prices	3.14	3.30	3.18	
Prices are not appropriate	2.77	2.78	2.77	
Lower credit limit allocated	2.59	2.44	2.56	
Service is poor	2.01	2.22	2.05	
Location not close to the workplace	1.87	2.00	1.89	
The offered product does not meet their needs	1.77	1.93	1.80	
Low fertilizer quality	1.77	1.70	1.76	
Pesticides low in quality	1.66	1.48	1.63	
Lower tool-equipment quality	1.58	1.33	1.53	
Scales	1. Not important	2. A bit important	3. Middle	4. High

CONCLUSION AND RECOMMENDATIONS

According to the findings obtained, it was found that farmers have predominantly primary school level education. They were 53.52 years old, they have experience of agricultural activity for about 31 years, newspaper reading rate was low, cereal and feed plants was dominant in crop production, important agricultural income items were livestock, computer ownership was high, and they were generally doing classical production. The 54.2% of the farmers surveyed in the research area were using credit. It was determined that members did not satisfied with the diesel, insurance, quality of feed, feed price, feed credit, a variety of feed of the services provided by the agricultural credit cooperative. In order to increase the efficiency of cooperative use, the interest rates should be lowered, the input prices should be brought to the appropriate level, and information should be provided to the members of the cooperatives.

It is suggested that interest policy which is applied to the loans offered to members of the cooperative in the course of research should be restructured in the quality of its products and product sales policies.

By the information obtained, it can be stated that the cooperative has moved away from its institutional aims and has become a profit-oriented institution from the point of view, and has not observed the satisfaction and benefits of its members adequately.

In order to be more useful to the members, the cooperative should be provided with the services of its members by the aims of the establishment, and this should be put into the above mentioned recommended practices.

ACKNOWLEDGEMENTS

This study is a part of the B.Sc. thesis. This study was supported under the scope of the Project no. TÜBİTAK 2209-A. We want to present our cordial thanks to TÜBİTAK for its financial support.

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