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Abstract: The study establish a historical background as to why co-operative were formed in Katete district Eastern Province of Zambia, as a source of income for bulk of the rural people and social economic consequence of their development. This forms an important historical background and also demonstrates deep roots of the co-operative movement in Zambia. The study also assess the performance of co-operatives and how the agriculture policies impacted on farming co-operatives in a period 1964-91. In order to assess the effects of the co-operative movement, the study used data gathered from Katete District, Eastern Province of Zambia from member who once worked in the co-operative societies and non-members of the co-operative societies. Data was collected by means of a qualitative approach using unpublished, published and oral sources which were also consulted. The findings were tentative analyzed strongly and points to the important role that farming co-operatives societies have played on agricultural development in rural areas and this is clearly reflected in the differential performance in farming co-operative activities and the socio-economic attributes of member and non-members. The results indicated a marked difference among categories in terms of access to agriculture inputs, knowledge, and technology acquisition of material. By and large the findings support that the agricultural policies between 1964 and 1991 which was under United National Independence Party (UNIP) were successful in managing co-operatives. There was an advantage in the membership of the co-operative society suggesting co-operatives the catalytic ability of the co-operative movements which boosted agricultural development and thereby, offering a viable channel to peasants to come out of vicious cycle of rural poverty.

I. INTRODUCTION

Co-operatives have played important roles in the Zambian economy but their impact in the economic development may be difficult to assess. The co-operative movement has enjoyed direct encouragement and protection of government through good policies and incentive schemes. These supportive policies started when Northern Rhodesia which had broad objectives in establishing co-operatives among Africans after the Second World War. The policy on co-operatives aimed at promoting economic development among Africans and raising their standards of living. The co-operatives primarily focused on rural areas and the assumption was that the co-operative movement would help to improve methods of farming, raise production and expand the scale of marketed commodities among African rural dwellers. These ideas have changed in independent Zambia. The Zambian government, especially the UNIP administration, had that attempted to develop rural economies through building on indigenous knowledge system and practices. According to Peter Matoka, the Zambia government started in 1964 to encouraged formation of co-operatives as a way of achieving the goal of the Philosophy of Humanism formally promulgated in 1967 as a frame work for developing social political and economic aspirations of the country.

In spite of many challenges, the government was seriously committed to the co-operative movement as a way of fostering rural development. The continuity in policy in Zambia and the importance attached to the co-operatives throughout the African continent demonstrate a broad significance of the present study. The study is specifically and narrowly concerned with examining the impact of government agricultural policies on co-operative.

Statement of the Problem

The study examine how government agricultural policies affected development of farming co-operative in Katete after colonial rule, 1964-1991. Farming co-operatives in Katete district were an extension of an earlier development in Petauke district. In 1947, the Petauke Co-operative Marketing Union (PCMU) started and later extended to Katete, Chipata and Lundazi. This slow and modest start was aggressively promoted by the first post-colonial government of UNIP. In 1965, President Kaunda in his speech at Chifubu in the Cooperbelt signaled government frame work. The Chifubu speech was a statement of a national policy on co-operative. Katete became one of the main centers of co-operatives in Zambia.

Between 1964-1991, the co-operative society in Katete faced a number of opportunities and challenges. This in part can be attributed to the different agricultural co-operative policies brought about by the different governments. Each had a different perspective of agriculture as can be seen from their

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policies towards the same. In view of the above, this study will attempt to examine the impact that these policies had on farming co-operatives in Katete district, Eastern Zambia.

II. OBJECTIVES OF THE STUDY

The objectives of the study are:

- To establish a historical background as to why co-operative were formed in Katete district, Eastern Zambia.
- To examine the performance of co-operative in Katete district between, 1964-91.
- To assess how government policies affected co-operatives a period 1964-91 in Katete district.

Research Questions

- Why were co-operatives formed in Katete district a period 1964-91?
- How was the performance of co-operative in Katete district between 1964-91?
- How did the government agricultural policies affect the co-operatives in Katete?

Justification of the Study

Generally it is believed that people depend on working together as a group for them to achieve what they want. Normally co-operative societies in rural areas are built on common objectives. It is further believed that co-operatives in Zambia have a long history which could be harnessed for rapid rural development.

Further, in looking at the impact of agricultural policies on co-operatives, it is possible to see whether the co-operative movement during the colonial period functioned in the same way. It is also important to identify major government agricultural policies on co-operative and how they have been affecting the progression from 1964 to 1991. One of the reasons for studying the co-operative movement in Katete is that, the district was doing fine in terms of agriculture. Therefore, a study of farming co-operatives is a discussion of an aspect of agricultural co-operative policy as an instrument for rural change at provincial level.

It is in view of the above argument that an assessment of how policies has affected the farming co-operatives may help to identify possible ways of strengthening the rural areas in improving agricultural development. A review of literature indicates that government agricultural policies have an impact on the performance of farming co-operatives. This will not only add to the existing literature, but will also benefit both the co-operative society fraternity as well the policy makers.

III. FORMATIVE LITERATURE REVIEW

There are various experiences to be learnt from agricultural co-operatives in other parts of the world. A review of literature in Europe, Southern America, Asia and Africa shows different valuable lessons which could be used for Zambia. Most of these have substantial successes and some failure in using co-operative for development at the grass roots level. It is from these successes and failure that Zambia can draw a few ideas at its struggle to develop the country.

The idea of co-operatives was first formalized in the United Kingdom. There after the registered success was spread to other parts of the world Sweden, China, India, and South America. The co-operatives in Southern America helped in promoting agricultural and rural development simultaneously. However, a case of failure of co-operatives to attain set objectives was however, recorded in North Eastern Brazil. S.W. Almy in her study of co-operatives in North Eastern Brazil observed that co-operatives can only operate under certain conditions. The agricultural co-operative in Eastern Brazil failed mainly because of lack of participation from member and poor policies by government. There seem to be misconception from local and national leaders on how to run co-operative. While at the same time large farming co-operatives existed primarily to obtain subsidies through joint political pressure.

The co-operatives in Asia were introduced by Britain. The British government took up the ideas to stimulate and promote the development of co-operatives in India in 1900 through its colonial office in India. The Indian experiment led to the creation of co-operatives law which was widely used in British colonies. The present co-operative registrations in commonwealth Africa are products of the British Indian experience in providing co-operatives.

Since 1960, efforts have been made to introduce co-operative in most of the independent African countries. Expectation of performance have been high and in many cases disappointed at their actual results which have not been corresponding better. For many years, the promotion of co-operatives has been influenced by traditional and modern way of organization. Advocates of co-operatives have argued their case by pointing that, co-operatives do not perform well because of certain factors such as poor policies, unwritten rules, poor management and individual commitment.

The introduction of co-operatives in Africa did not work. The problem in rural Africa is that differentiation of peasant

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society has not yet evolved sufficiently. A few examples have been registered in other section of Africa and have made little significant progress. Despite this poor record, it is believed that co-operative in Africa can still be instrumental in rural development if they are not used for political mobilization. Agriculture co-operatives have the potential to create innovation and production at the grass root level. In continents like Europe, Asia and America, the agricultural co-operative movements have been instrumental in national economic development. In Zambia, like most African economies, the agricultural co-operative movements have not been prominent in the promotion of nation economic development.

The history of co-operatives in Zambia began by the registration of the North Western Rhodesia Farmers’ Co-operative society by the registrar of high court on 16th October 1914. George Kay undertook one of the earliest studies that paid attention to development of co-operatives during the colonial period. Kay’s study is important but focuses on resettlement in the Eastern Province as a whole and this makes it less useful in understanding the Co-operative movement because major resettlement programme were in Chipata District. Simon M. C Nkatha has discussed Co-operatives as an aspect of general agriculture history. The Co-operative movement was probably the single most important development programme in the district into which all other development schemes were incorporated and therefore, deserves a study in its own right.

Another important study which touches on co-operatives is Joseph Mtisi’s examination of the social impact of taxation and labour migration in Eastern province. Mtisi made an important contribution to understanding adverse social change resulting from colonial policies on labour migration and taxation. But Mtisi was concerned with the period prior to the focus of the present study and as noted earlier, it can be argued that the co-operatives are a remedy to the social malaise Mtisi has vividly analyzed. In a sense, this study is an extension of Mtisi’s and an assessment of the extent to which the co-operative movement was successfully or otherwise in readdressing what R. Palmer and Parsons as rural poverty. In the discussion of the causal factors of rural poverty, a number of studies edited by Palmer and Parsons make a major contribution to our understanding and analysis of changes in colonial agricultural policies and peasant economies in continent southern Africa. It is the same direction that the study hopes to make a contribution by focusing on a local level institution co-operatives for social change in the post independent period.

This work has greatly benefited from studies that paid attention to the co-operative movement than studies cited above. S.A Quick and C.S Lombard examined the development and problems of the co-operative in Zambia. This broad survey has mainly concerned with general aspects of co-operatives in the colonial era. C.S Lombard study though important on co-operatives but, has the defect of being largely commissioned to resolve specific problems perceived as seriously undermining the growth of co-operative after independence in Zambia Within the structural of government agricultural policy. It is has useful baseline data. Quick’s study has more relevance to the finding and conclusion of the present study. Quick further observe that co-operatives had a strategy for increasing agricultural and social control over the peasant economy.

However, the studies develop and illustrate the point by examining the system of appointing agriculture co-operative policy implementers and supervisors. In doing this, the study adopts a broader perspective than either the colonial government or Lombard. A historical approach is adopted in discussing broad social economic aspects of co-operatives. Konrad Engelmann postulated advantages of such an approach when he noted: ‘In most developing countries, historical, political, economic and social problems are so entangled that considering them separately is difficult, if not unrealistic. Neither governmental motives nor regional needs can be adequately examined from only one perspective. This is particularly true in organizing co-operative movement’. The colonial administration of Northern Rhodesia started co-operatives among Africans with objectives related to vague strategies. They emphasized collection of food stuffs from peasants for the local market that expanded due to urbanization in Northern Rhodesia. This was as a result of copper mining industry which grew rapidly after the Second World War. The main argument in this study is that the co-operative movement was an attempt by the colonial administration to assert greater control over peasant

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agricultural production. Co-operative was used as middlemen between the peasants and the commodity markets in Northern Rhodesia and overseas.

The co-operatives brought agricultural produce from the rural cultivators and sold the same produce at local and overseas markets under close supervision of the colonial administration.\(^1\) The co-operatives were used to encourage Africans to grow more cash crops such as maize, tobacco and groundnuts.\(^2\) This study looks at the formation and growth of co-operatives in Eastern and Southern province and how they helped in transforming the rural area and benefited the peasant. The study also looks at how changes in agriculture policies after Zambia attained independence have negatively affected their success and performance.

The major discussion on the impact of agriculture policies on co-operatives during the period 1964-91 makes major theoretical or conceptual contributions. This is however, an awareness of certain key concept which has been the subject of repeated academic debates. Peasant is the most important concept in this study.\(^3\) Like many major writers on African agricultural history, such as R. Palmer and N. Parsons, Colin Bundy and Martin Klien but J.S. Saul and R. Wood definition of pleasantly is satisfactory guide. Saul and Wood states that ‘Peasants are those whose ultimate security and subsistence lies in their having certain rights in land and in the labour of family members on the land, but who are involved, through rights and obligations, in a wider economic system which includes the participation of non-peasants.’\(^4\) The definition fits the African cultivator in Katete district during the period 1964-1991. The purpose of this study is to discuss the impact of agricultural policies on the farming co-operatives in Katete within the context of government co-operative policy. Other terms of major concern that have been used in this study is the marketing union and primary co-operative societies. A primary society means the constituent units of the marketing union and primary co-operative societies. A co-operative movement is a voluntary and social attempt of organizing services among individuals with common objectives of achieving improvement in production and social benefits. Rita Hiden, defined a co-operative as a voluntary effort of individual members in order to share benefits of their co-operative efforts in buying and selling arrangement of commodities produced individually.\(^5\) This is the way the Zambian government after independence perceived the co-operative movement. Widstrand shows that co-operative movements have been able to show increased productivity and member income of members at the price of widening social inequalities in the communities. Which these institution serve on the other hand, the Zambian leadership has identified co-operative as an instruments for reducing social inequalities in the rural areas.\(^6\) President Kaunda consistently described co-operative societies as effective tools in removing bad seeds of economic exploitation of man by man. In his chibupu speech, President Kaunda saw cooperatives as a tool to achieve the desired way of life which involves increased prosperity, coupled with an egalitarian distribution of income, political democracy and social atmosphere.

Andreyev, on the other hand, argues that co-operatives can lead either to an increase or decreases in social inequalities depending on the nature of states economic policies. According to Andreyev, in a capitalist state, co-operatives can lead to increased inequalities but this is not so in a socialist state.\(^7\) In Zambia so far no study has been conducted to investigate the social consequences of the co-operative movements. There is an assumption that co-operative offer the masses chances to be effectively involved in development processes. There is need therefore, to look at the management of the societies in relations to how leaders are chosen and decision made over issues relating to the society. Giles and Braumann have stressed the role that co-operative play in financing agricultural development. Peasants on their own cannot easily raise capital needed to buy inputs, tools and hired labour necessary for improved farming.\(^8\) Musakanya and Chilivumbo suggest that co-operatives Agriculture financing to peasant has enabled members of co-operative societies to engage in improved farming.\(^9\) However, these findings are not conclusive and more research is needed.

### IV. SOURCES

Diverse sources were used in this study in order to improve the understanding of research issues. Data for this study came from various diverse sources and was collected through many...
ways. Data on the co-operative as a whole was obtained from the Department of Co-operatives in Lusaka, Chipata and Katete. Data was also collected from District Council offices and Ministry of Agriculture offices in Chipata and Katete. Background and information on the agriculture and co-operative sector was gathered from reports and other materials in the national archives of Zambia. Correspondences of co-operative movement in the colonial government and independence era were also consulted. The focus was on secretariat series that contain district tour reports, district note books, district and provincial report and departmental reports on Agricultural and co-operatives. This Centre’s are an extension of the National Archives of Zambia. The major limitation of the Record Centre’s is that, materials are not properly organized and most of the documents seem to have been useful to the present study were destroyed due to limited space for keeping them.

Interviews were also conducted with officers and other people who have been associated with co-operative in Katete. One setback was in obtaining data from some founding officers who were sometimes no longer closely associated with the co-operatives. There were also several fruitless appointments, despite writing them several letters to the people but hope did not get replies from them.

George Kay’s original study on changing patterns in the settlement of the Eastern province and other regional studies have contributed a great ideal in placing oral data perspective. From Kay, records hope to, obtain illustrative statistical data and changes in organizing and presenting them in original documents. The limited data available obtained gave a general indication and failure of the co-operative movement in Eastern Province.

Finally, it is hopeful that an investigation and evaluation of the accumulated experience during the development of the co-operative movement in Katete provide a useful frame of reference for studying the Zambian government policy. This is because co-operatives in African societies have continued to demonstrate a commitment as a strategy for rural agricultural improvement.

V. THE POLITICAL AND ECONOMIC ACTIVITIES OF KATETE DISTRICT

Katete District is one of the eight districts in the Eastern Province of Zambia. It is located approximately 448Km from Lusaka, the capital city of Zambia. It shares an international boundary with Mozambique and the borders with the District of Chadiza in the South East, Chipata District in the north east, Mambwe district in the north, Petauke in the northwest. The formal sector is smaller than the informal sector in the district. The main income generating ventures include carpentry, joinery, saloons, barber shops, bicycle repair, shoe repair, grinding mills, repair of motor vehicles and bikes, metal fabrication and welding. The individual engagement in the sector lacks back up skills like marketing, business planning and management. According to Central Statistical Office of Zambia in 2000 Katete district had a total of 996 villages composed of 37,808 households of which 89,693 persons were males and 92,805 were females.

The district is predominantly rural with over 95% of its population living in the rural areas. This means that the informal sector is larger than the formal sector. The main source of livelihood is agriculture. There are many other contributors to the economy of Katete district and these include processing industries and informal business. There are three processing industries that include Dunavant limited formerly known as (Lonhro), an American Company dealing in the processing cotton and exporting, Sabina Oil Cooking Production Company and Sona Cooking Oil Production Company.

Politically, Katete district is governed through two constituencies, Mkaika and Milanzi. These constituencies have been divided into eighteen wards of which Mkaika has eight while Milanzi has ten. The local governance of the district is being administered through the office of the District Commissioner and the local government under Katete District Council. This District is divided into two constituencies which are further sub divided into wards. The constituencies elect Members of Parliament (MPs) who act as representative of people from Katete at national level, in the National Assembly of Zambia. The wards are represented by elected councilor. Mineral deposits have been found at Kasamba village in Kasangazi ward where phosphate minerals is being mined for fertilizer production. The mining ventures are not yet fully developed. There are also precious stone deposits at Kakula Hill in Kapoche ward where mining is currently taking place on a very small scale. Katete District Council has not benefited from these mining activities.

An outstanding feature in the district is Mphangwe Hill, close to the (Boma). Other Hills are Mwandafisi, Chiulukire, Zimwanda, Mkulumwendo, Milanzi, Nchingilizya and Manna Mphangwe. The government, through the Department of Forest maintains one forest plantation, namely, Mindolo in Milanzi constituency along Mozambique Chaninda border road. There are perennial and seasonal rivers in the district.

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30 Katete District Council, Report on Town Planning. 2008,p.3
between the months of December to August. They include the Katete, Mzime, Lupande, Mnyamanzi, Kapoche and Katiuila River. The Katiuila river flows into Kapoche river which also later empties into Mozambique. The Mnyamanzi ray into Lupande River which in turn flows into Luangwa River in Mambwe district.  

The most common crops grown in the district are maize, groundnuts, cowpeas, sunflower, seed cotton, sorghum, soya beans, rice and millet. There is little Coffee grown mainly for local trade and consumption. The people are also engaged in livestock production. Cattle-ownership is very high while goat-keeping and chicken are widespread among all farming households. The productive capacity of small scale farmers in Katete has been constrained by agricultural sector’s vulnerability to drought, poor farming practices and limited access to agricultural inputs. Consequently, yields of most field crop remain low. Katete District has 45 man-made dams. The biggest dam was constructed in 2016 near Katete girls secondary. The rest of the dams were constructed during the 1940s and 1950s. Due to age, lack of rehabilitation and maintenance, the dams have problems of siltation, leakages, overgrown vegetation, damaged wall and spillways. This has resulted in the dams being unable to hold enough water for livestock and human consumption. The people in the district largely depend on wells and boreholes for their drinking water and in case where these are not available, people especially women and girls have to travel long distance to streams to draw water.

The district is predominantly occupied by the Chewa speaking people whose recent origins lie in the kingdom of Kalonga in present day Malawi. It is believed that after a succession dispute with his elder brother Kalonga, Undi departed west with royal members of the phiri clan and established a new kingdom in Mano, an area in Mozambique south of Katete. Kalonga Gawa Undi has three senior chiefs namely; Kathumba, Kawaza and Mbang’ombe. Chief Kawaza master minded a massive campaign in the formation of co-operative movement in Katete.

The colonial and post independent government policy on co-operatives that followed had common aspect. This is because the policy regarded co-operative membership in Katete as owners of the organisation. These policies resulted in expanding the co-operatives in Katete District because co-operatives became stronger and reliable in managerial, financial and operational stance. The colonial and UNIP government, encouraged formation of co-operatives. This idea was very important and helpful in Katete District because it identified co-operatives as engines for rural development and subsequently allocated them in agriculture marketing system. The co-operatives were also assigned a major role in the related activities such as distribution of fertilizer and grain bags.

Development of Farming Co-operatives in Katete, 1952-1964

The history of co-operatives in Katete is traced to 1947 and originally started from the Petauke Co-operatives Marketing Union (PCMU). The PCMU was the first co-operative organization in the province. By 1956 Katete alone had twelve co-operative societies. The earliest co-operatives to be formed during the colonial government were in Kafumbwe, Mzime, Chafulu, and Mung’omba. Kafumbwe co-operative was the first to be formed in 1947 and later in 1952 Katete Co-operative Marketing Union was formed operating under PCMU and acted as mother body. In 1957, KCMU became an independent district marketing union withdrawing from PCMU. During this period co-operatives in Sinda operated under Katete because part of the area in Sinda was under chief Kawaza of the Chewa people. Katete formed its co-operative union because members of Katete societies felt that PCMU did not serve their interests. The other reason for forming a separate union was that, the colonial administrators wanted such organizations to be used in containing political hostility from Katete peasants especially in chief Kawaza and Kathumba area. Many African peasants had joined the African National Congress between, 1952-1958 because it championed their complaints about low

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35 Katete District Agriculture Extension Officer Report, 1988-1989, p. 11
price, poor marketing and enforcement of agricultural methods associated with Peasant Farming Schemes (PFS).37

The peasants who joined the co-operatives in the schemes had advantages during marketing. Those who did not join were disadvantaged because the prices were fixed to favour members of the co-operatives. This difference in pricing caused discontent among the peasants and the ANC capitalized on the situation to further its political ends in opposing the colonial policies. The ANC spread rumors throughout the colony that PFS and co-operative societies were a trick to steal money from Africans. This information made peasants in Katete to think that PCMU was stealing their money from the produce sold. This situation adversely affected the smooth running of the marketing. Hence, the Katete Co-operative Marketing Union was formed in 1957 and used by the colonial administration to gather information from peasant farmers who were actively involved in politics and rebelling against the colonial government.38

Table 1: Formation of Co-operatives in Katete District, 1947-1960

<table>
<thead>
<tr>
<th>S/N</th>
<th>NAME OF CO-OPERATIVE</th>
<th>AREA</th>
<th>YEAR IT WAS FORMED</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Kafumbwe</td>
<td>Katete</td>
<td>1949</td>
</tr>
<tr>
<td>2</td>
<td>Mzime</td>
<td>Katete</td>
<td>1950</td>
</tr>
<tr>
<td>3</td>
<td>Chafulu</td>
<td>Katete</td>
<td>1953</td>
</tr>
<tr>
<td>4</td>
<td>Kagoro</td>
<td>Katete</td>
<td>1953</td>
</tr>
<tr>
<td>5</td>
<td>Nyanje</td>
<td>Sinda</td>
<td>1953</td>
</tr>
<tr>
<td>6</td>
<td>Mung’omba</td>
<td>Sinda</td>
<td>1955</td>
</tr>
<tr>
<td>7</td>
<td>Kapoche</td>
<td>Sinda</td>
<td>1959</td>
</tr>
<tr>
<td>8</td>
<td>Lusangazi</td>
<td>Sinda</td>
<td>1959</td>
</tr>
<tr>
<td>9</td>
<td>Mwatambazi</td>
<td>Sinda</td>
<td>1954</td>
</tr>
<tr>
<td>10</td>
<td>Nyamadzi</td>
<td>Sinda</td>
<td>1948</td>
</tr>
<tr>
<td>11</td>
<td>Matunga</td>
<td>Katete</td>
<td>1952</td>
</tr>
<tr>
<td>12</td>
<td>Mtandaza</td>
<td>Katete</td>
<td>1954</td>
</tr>
</tbody>
</table>


Table 1, shows the number of co-operatives in Katete that were formed during the colonial era between 1948 and 1954. In 1957, Katete co-operative societies were taken away from PCMU in order to have their own leaders.39 This meant that co-operatives in Katete were no longer affiliated to PCMU. The split was good to the side of the people of Katete but it also weakened the PCMU because its assets and staff were shared with the Katete Co-operative Marketing Union (KCMU). It was difficult to justify the breakaway economically since the capacity of the PCMU to deliver services had not been fully utilized since its formation. Chief Kawaza mounted a campaign among the Chewa chiefs and their subject in Katete district that the PCMU had not done much to develop the Chewa-based co-operatives society. He believed most of the PCMU profits were used in Petauke District. This feeling spread and grew among the peasant of Katete district. He eventually demanded the formation of Katete own union which he thought would effectively develop co-operative societies.40

The colonial officials saw the establishment of KCMU as a means to dissuade two most politically active chiefs in the district, Kawaza and Kathumba, from their anti-government. These chiefs opposed the peasant farming scheme in the areas. The colonial administration also saw the chiefs as a stumbling block in implementing the new farming methods. As a way of making them to see the benefits of the peasant farming scheme and co-operative societies, the colonial officials thought that a union at Katete would persuade other leader to desist from politics hostile to the colonial regime. The colonial official, therefore, suggested that a separate Katete marketing union would go a long way towards relieving political tension in Katete district.

At independence, the new government took an active role in the development of co-operatives through the newly created Department of Marketing and Co-operatives. Most of the co-operatives societies registered up to 1964, the year of Zambia’s were producer marketing organizations. The government encouraged the formation of co-operatives at that time in order to encourage local communities to participate in economic activities. Equitably, they distribute financial resources to all rural areas with co-operative as agents for the implementation of government policies and to use co-operative as economic tools for quick development.41

In order to intensify and strengthen its support and control of co-operative movement, the government adopted the 1947 co-operative ordinance to give way to the co-operative society. The co-operatives after independence improved more because donors also joined the government in this effort. Donors provided technical assistance and grants to needy co-operative. Co-operatives at this time were largely viewed as a mechanism for stimulating rural development and not necessarily as institution for meeting the economic and other needs of their members. Co-operatives were identified as one way in which to achieve increased production and raise rural standards of living, and improve crop production intended not

only to meet the needs of the rural people, but also to feed the fast growing urban population.

**Co-operatives in Katete District: a period, 1964-1991**

After independence, President Kaunda's government made it clear that many people should be involved in the co-operative movement in order to realize quick economic and social development.\(^{42}\) This post-colonial co-operative movement was launched by President Kaunda at Chifubu National rally in Ndola on 17th January 1965. President Kaunda declared that ‘Rural development is a top priority in our future development project. A co-operative approach is most suited to rural development, both as way of feeding the fast growing population and accelerating development. Co-operatives remain the hope of the country by offering social and economic participation at the grassroots’.\(^{43}\)

This view of co-operatives was further reinforced by the policies of central planning which were actively pursued in Zambia in post-colonial.\(^{44}\) As a result, the government and donors supported primary co-operative societies which were formed in all the parts of the country including Katete. Many of those co-operatives were based on genuine grassroots mobilization; others were established mainly to take advantage of the assistance that was available. The 1965 Chifubu declaration by President Kaunda saw the birth of the post-colonial co-operative movement.\(^{45}\) It was also announced at Chifubu rally by Kaunda that plans and finance were available for starting communally organized production co-operative.\(^{46}\) He informed the nation that “money is there and the know-how is there, you can form these co-operatives anywhere and we will assist you”. This was a political indication by the president but took the peasants of Katete by surprise as there had been no planning effort under taken by the Ministry of Agriculture and Co-operatives. The reason given by the president for instituting a rapid expansion of the movement was to increase per capital income as well as decrease employment. The other reasons were to improve the life of people and to mobilize the skills of individuals in a general movement towards development. Co-operatives were seen as a strategy of bringing more Zambians into industry, commerce and non-substance farming. A minimum of ten people could register as a co-operative society and thus qualifying for financial assistance from government. The main policy on co-operatives in 1965/1966 was on easy accessibility to credit. The policy on loan to co-operative was one of the significant policies which made government to distribute a lot of money without adequate control of its use.

According to the president, K72 million was set aside for the next thirteen months. The response to the Chifubu declaration was immediate. The Department of Co-operatives in Katete was not prepared for the hundreds of application to form new co-operative society which were for registration. The Department of Co-operatives did not have enough staff to cope with massive degree of expansion. Prior to independence, the co-operatives sector was small and the Department of Co-operatives was relatively small agency within the colonial administration. In 1964, there were about 15 African co-operative societies from Katete in the register, but by the end of 1965 the department had more than registration to 32 societies with 100 other applicants awaiting consideration for registration.

<table>
<thead>
<tr>
<th>S/N</th>
<th>Year</th>
<th>Staff Supervisor</th>
<th>Africa Co-Operatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1965</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
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<td>NA</td>
<td>32</td>
</tr>
<tr>
<td>3</td>
<td>1966</td>
<td>4</td>
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<tr>
<td>4</td>
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</tr>
<tr>
<td>5</td>
<td>1968</td>
<td>4</td>
<td>44</td>
</tr>
</tbody>
</table>

Table 2: Growth of Co-Operative Societies in Katete District, 1964 -1968


Table 2, shows the growth of co-operatives that were formed after independence. The table shows that new co-operatives formed every year but had a shortage of supervising staff. The growth of these co-operatives was as a result of government and donor support. Despite having a shortage of supervising staff, these co-operatives were productive. Although, initiative for the development of co-operatives came from the government, there was a lot of political pressure on the Department of Co-operatives to encouraged registration of more co-operatives.

The department was aware of the need to slow down but unwilling to face the wrath of the politicians.\(^{47}\) The reason cited for the slowdown in registering co-operatives was to have a limited number of co-operatives because there were limited resources allocated to the district. Apart from this, there was also few supervisory co-operative staff from the Ministry of Agriculture and Co-operatives to monitor the operations. The director and the registrar of co-operatives spread the responsibility of registering co-operatives and other agencies for example; the Provincial Development Committee

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\(^{44}\) Annual Reports on Co-operative, 1983-1984, p. 3.


in Chipata had to approve new registration.\textsuperscript{48} No group was registered automatically and this slowed registration indirect. In 1967, the government introduced an agriculture co-operative policy with emphasis on consolidating already existing societies rather than encouraging the formation of new ones. This was because many co-operatives had defaulted in the loans which they had got through the first policy. This was as a result of poor yielding in the previous seasons and a random survey of maize production in most of the cooperatives showed that most experienced small farmers in the district could produce 8.6 bags per acre of maize. Average farmer could produce 4.9 bags per acre. The earning 8.6 bags were K12 per 0.4 ha (£6.1 per acre) at 1965 prices for bags it was K7.8 (£3 per acre)\textsuperscript{50} The peasant’s farmers also defaulted because it was not easy for them to meet all the financial demands and the loan staff from the Department of Agriculture were not trained to deal with loan procedures. There was also shortage of field officers who could be there to control the use of loans.

The Zambian Government, through Ministry of Agriculture and Co-operatives continued to support co-operatives through service provision which were created. This was the Grain Marketing Board (GMB) and Agriculture Rural Marketing Board (ARMB). The Grain Marketing Board and Agriculture Rural Marketing Board amalgamated in 1969 and formed the National Marketing Board (NAMBOAD).\textsuperscript{50} The formation of NAMBOAD was to encourage national organization marketing system inherited from the colonial period. The division was because of Europeans, in rural remote areas and farmers on the line of rail. Since establishment of NAMBOAD was responsible for providing a wide variety of marketing functions. It monopolized purchase, import and storage of maize at the national level. It also had a monopoly distribution and sale of fertilizer and distribution other agricultural supplies including seeds in competition with the commercial sector. The performance of NAMBOAD was strongly criticized. This is because it had lot of weakness and restricted farmers in accessing inputs and marketing their produce.\textsuperscript{51} The provincial agricultural annual reports contain numerous accounts of seeds and fertilizers not arriving in time, for planting and of the failure of agents to show up at marketing depots to receive farmer’s crop. NAMBOAD often attempted projects without knowledge of special requirements and hence incurred substantial losses. For example, in 1970 it attempted to store onions and potatoes without specialized storage facilities and equipment or knowledge of techniques required.\textsuperscript{52} As a result, approximately one thousand tons of both onion and potatoes were destroyed. By the end of 1972, the board had incurred a financial loss of over K4.4 million and addition K900, 000 had been spent on buildings and equipment.\textsuperscript{53}

In 1971, the Zambia government created a board of commission to assess the performance of NAMBOAD and the following were the observations. It was noted that NAMBOAD had no clear objectives in its operation. The second point was excessive government control. The Minister of Agriculture and Co-operatives instructed NAMBOAD functions to be improved because co-operative which were less funded good performance than the organization.\textsuperscript{54} The government proposed to hand over the marketing functions of NAMBOAD to co-operative marketing unions. The distribution of seeds was taken over by the National Seed Company. The marketing co-operative continued to play a vital role in agriculture development and took over responsibility from NAMBOAD.

The Zambian government strongly supported co-operative marketing organizations and relied on them to provide marketing services. By 1979 the co-operatives marketing unions bought more maize than NAMBOAD in Katete District as Table 3 indicates.

Table 3: Maize Bought By Co-operative Union And Namboard In Katete, 1975-1979 In 90kg Bags

<table>
<thead>
<tr>
<th>Year</th>
<th>Co-Operatives</th>
<th>Namboard</th>
<th>Total</th>
<th>Co-Operatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975</td>
<td>28,2502</td>
<td>43,2168</td>
<td>71,4670</td>
<td>33.51%</td>
</tr>
<tr>
<td>1976</td>
<td>35,8706</td>
<td>53,9319</td>
<td>89,8025</td>
<td>38.41%</td>
</tr>
<tr>
<td>1977</td>
<td>37,1102</td>
<td>40,1891</td>
<td>77,2993</td>
<td>46.23%</td>
</tr>
<tr>
<td>1978</td>
<td>30,0847</td>
<td>30,4,039</td>
<td>44,1535</td>
<td>53.92%</td>
</tr>
<tr>
<td>1979</td>
<td>20,9100</td>
<td>14,0688</td>
<td>34,9788</td>
<td>53.5%</td>
</tr>
</tbody>
</table>


Table 3, shows that principal players in maize marketing were the co-operative movement and NAMBOAD. Co-operatives had a federated structure that run from primary societies and village level to district level and provincial co-operatives. At the summit was the Zambia co-operative federation (ZCF) with its specialized organs such as the engineering, transport and financial units that were set up to service the various cooperatives.\textsuperscript{55} In theory co-operatives were voluntary organizations formed by farmers at local level. However, there was little doubt that their formation and existence was strongly linked to the interventionist and develop mentalist

\textsuperscript{50} N.A.Z SEC2/781, Katete Co-operative Report, 1970.
\textsuperscript{52} Provincial Agriculture Annual Report for Eastern Province, 1971/1972.
\textsuperscript{53} N.A.Z. SEC2/331, General file on Co-operative 3/1vo/v,1, 10/1/6.
philosophy of government as important vehicles for enhancing development in areas outside the line of rail.

In 1965, the three co-operative unions namely, PCMU, KCMU and ACMU became completely amalgamated and merged into the EPCMA. This amalgamation was vital because it reduced overhead expenses in marketing by avoiding duplication in work.\textsuperscript{56} This enabled union managers to put more effort how well member societies could be operated and organized. Many primary co-operative societies in Katete were formed up in the following areas Matunga, Vulamkoko, Seya and Dole adding to those that were formed in the colonial government.\textsuperscript{57} These contributed to continuity in the history of the district co-operative movement. These primary societies were formed to improve the marketing system for Maize and groundnuts. The department of Agriculture organized marketing but the producers bore the cost of transport and handling. The formation of the primary co-operative meant that it would bear the cost of marketing and reduce the burden on individual member and reduce organizational difficult for the department of Agriculture.\textsuperscript{58}

The Grain marketing was organized through a well-defined channel of Primary Societies District Co-operative Union (DCUs) and Provincial Co-operative Union (PCUs). The activities of co-operatives involved the distribution of empty grain bags to farmers. After farmers harvested their crop and bagged it to primary societies at the village level and handed the bags over to the district co-operatives union which in turn handed them over to provincial co-operative union. Storage and sales of grain to industrial mills in urban centers was by provincial co-operatives unions. The transportation was done by ZCF/FS using its own vehicles or hired transport from the PCU and DCU or through private.\textsuperscript{59} The crop price was fixed by the government at the beginning of the marketing season and to cover losses incurred by co-operative the government paid marketing subsides to provincial co-operatives unions and primary co-operative societies. Theoretically the payments of government subsides was linked to work and yield done by society members, so that members could see the returns of their labor. This subsidy was K30 for 0.4 ha (£15 per acre) and loans were granted to co-operatives on this basis.\textsuperscript{60} Thus both district co-operative unions and primary societies were not autonomous maize traders, but agents for respective provincial co-operatives unions. These in turn were agents for NAMBOARD and later for the Zambia co-operative federation.

Agricultural inputs were originally distributed on a loan basis to the farmers through co-operative marketing chains (i.e. PCU, DCU, and PCS). They began to distribute through the provincial branch of ZCF/FS. At the PCU level, the inputs were distributed to farmers by credit supervisor and staff members of the society. No commission was given for the recovery of loans. The input from Nitrogen chemicals of Zambia and Zambia seed company (ZAMSEED) sold for cash against fixed price and distributed through the PCS, DCU, PCU channel to farmers.\textsuperscript{61} A commission on each bag of fertilizer or of seed sold was given to cooperatives. Transport and of the inputs was by the PCU and then the DCUs. Some PCUs and DCUs were also agents of LINTCO in areas were cotton growing and marketing was prevalent.\textsuperscript{62}

The Eastern Co-operative Union (ECU) became the mother body for the district co-operative unions in the province. It was manned by a board of sixteen members who were elected from district co-operative union such as KCMU, PCMU and Lundazi.\textsuperscript{63} The general manager for ECU in 1971 was Mr. E Chirwa; later 1972 he was succeeded by Mr. Jordan Denis Mazala who retired in 1977. He was replaced by Mr. John Sankhulani who was his administrative officer and also a board secretary. Mr. E Chirwa made various contributions to Katete and KCMU while serving as Manager for ECU and this include formation of many primary co-operatives in the district during his reign. He also recommended purchase of two TATA light trucks and five motor bikes for KCMU to help as transport during marketing season. Mr. Denis Jordan Mazala contributed to Katete Co-operative Marketing Union for purchasing polishing and grading machines which boasted marketing operation for KCMU. It was also during his term of office that two storage shades were constructed for KCMU.\textsuperscript{64} This made an impact for the union because grain was well stored. Mr. John Sankhulani also made contribution to Katete by purchasing an oil plant for KCMU for processing cooking oil. This is a plant which supplied Katete and Eastern province with cooking oil. Apart from this, the plant created employment to the local people and outsiders.

The Eastern Co-operative Union was funded by the Swedish government through the director of co-operative in Lusaka and the Swedish government would always sent a representative based in Chipata to monitor the activities of its operation.\textsuperscript{65} Katete Co-operative Marketing Union also received annual government grants that amounted to about £100,000 every year between, 1972-1983. However, in order to improve the co-operative movement, the government of the Republic of Zambia directed all provincial co-operative union

\textsuperscript{56} F.R. Makungu, The Development of Zambia’s Co-operative Legislation; Department of Marketing and Co-operatives. Lusaka, 1982.
\textsuperscript{57} Interview, Simon Njobvu former District Agriculture Officer in Katete, Songwe Village, 4\textsuperscript{th} March 2016.
\textsuperscript{59} P. Sharma, ‘The role of Primary Co-operative Society in Development of Zambia’s Agriculture sector’, p.74.
\textsuperscript{60} District Report on Co-operatives in Katete, 1984.
\textsuperscript{62} FAO/FSD/MAFF, Maize Marketing cost and Margins; A Preliminary Analysis of Efficiency and Profitability of Private Maize Trade during the 1994/95 Marketing season; Market liberalization Impact Studies, (Lusaka; Marketing Management Assistance project. 1995).
\textsuperscript{63} Interview, Allan Sakala Former District Marketing Officer Katete, 18\textsuperscript{th} July 2016.
\textsuperscript{64} Interview, Mazala Former Eastern Co-operative Union Manager 1972-1977, Mazala Farm Chipata, 6\textsuperscript{th} March 2016.
\textsuperscript{65} Interviews, Jordan Denis Mazala former ECU Manager 1972-1977, Mazala Farm, 6\textsuperscript{th} march 2016.
to buy crops through district marketing union and primary co-operative. The policy of the Zambian government was to ensure food security through increased crop production and availability by providing high producer price for various crops especially maize the national staple food crop. Maize production was encouraged throughout the country even in regions which are not suitable for maize production. In order to provide incentives for maize production the government introduced a system were prices of inputs such as (fertilizers, seeds and agricultural chemicals) were controlled. This was a government policy and in the case of Eastern province, ECU was always funded and channelled the money to all district co-operative marketing union and primary co-operative societies each season.

The district and primary co-operatives bought crops for the government through this channel. Crops which were bought included maize, groundnuts, sunflower, soya beans, beans, rice and cowpeas. The primary co-operatives bought crops every season and were given bonus every after marketing. Bonus is a sum of money added to a person income for a good performance. Bonus was only given when ECU the mother body had made a profit in that marketing season. The bonus was given according to the way a society performed in marketing. Bonus was in form of money and was paid per bag. For Example, period 1970-1981 bonus per bag of maize ranged from five Ngwee to one Kwacha five Ngwee.

Apart from a bonus, primary co-operative were honored by ECU because of good production in marketing. A good example, in 1975-1976 seasons, Vulamkoko primary co-operative in Katete was awarded a subsidized loan of a tractor with equipment’s such as planter, trailer, and a plough. The impact of the tractor was seen on the crop production in the following marketing season where peasants sold good number of produce to the market than ever before and this made them increased hectares in the following season. From the profits made, many peasants built brick houses with iron roofs in villages like Jowele, Mthulura, Chapita, Mthanzi, Samuele and Mkanda. Others bought radios, bicycles, ox-carts, cattle and was able to send their children to school without many difficulties. This motivated nearby areas such Chimtende, Chidenza, Azele, Makwenda and Thosa to form their own primary co-operatives because a few farmers from these areas had benefited from the tractor. The reason why Vulamkoko was given a tractor is because of good production in the 1975/76 marketing. The other reason for awarding them with the tractor, by ECU was because the co-operative was strategically positioned to help many farmers around the same area. The same tractor was not restricted to one co-operative alone because even non co-operatives members could hire at an affordable fee. This created a stiff competition among the co-operative in Katete district because each society worked so hard in order to be awarded and be given bonus at the end of the season. It is important to note that two percent from nine Kwach per bag of maize which was paid as bonus used to be given to a co-operative member while the other remaining amount was for the co-operative investment and training of members.

This system encouraged people to join co-operatives and many co-operative societies in Katete increased acreage allocation to cash crop production in order to raise the marketable amount of produce. Bonus system further encouraged increased sale and in this way these co-operatives established an economic hold over producers and directly forced all producers in Katete to comply with the farming methods. These farming methods were encouraged and recommended by the Department of agriculture as necessary for soil conservation and increasing agricultural productivity. This bonus made co-operative societies even more popular and increased wider coverage of buying crops. It was at this period 1974-1983 that Dole, Milanzi, Chagumu, Chimwa and Nchingilizya co-operative societies were formed.

The bonus depended on the total produce each member sold. In general, members were paid on delivery of their crops to depots, and received a bonus per unit volume. The major aim of these co-operative societies was to encourage commercial agriculture by organizing markets for the peasants produce in the district. Each member paid a joining fee amounting to 25 Ngwee which was across the board in all co-operatives in Katete. Membership and shares were renewed every year at one kwacha. This money to those who failed to pay was deducted from their bonus during marketing season. This system encouraged everyone to pay in time as the results co-operative were able to opened accounts with banks for the safety of their money.

During 1970-1983, Katete co-operative Marketing Union bought a bag of groundnuts at two Kwach six Ngwee and that of maize at one Kwache sixty Ngwee. A bag of 180kg of groundnuts was sold at fifteen kwacha and that of maize weighing about 200kg was bought at nine kwacha. The bonus ranged from nine Ngwee to one kwacha nine ngwee per bag of groundnuts and four ngwee to eight ngwee bag of maize. The union purchased all farm produce from members

68 N.A.Z SEC 12/34, Report on Co-operatives No7, 21/02/83.
71 Interview, Teselia Sakala, Vulamkoko Co-operative in Katete, 22nd June 2016.
72 Membership and shares were renewed every year at one kwacha. This created a stiff competition among the co-operative. The same tractor was not restricted to one co-operative alone because even non co-operatives members could hire at an affordable fee. This created a stiff competition among the co-operative in Katete district because each society worked so hard in order to be awarded and be given bonus at the end of the season.

73 Interview, Joseph Daka, Headman Chilmbwe former Dole Co-operative Member, Chilmbwe Village, 20th March 2016.
and nonmembers of the co-operative societies. The unions paid low price about five kwacha per 200kg bag of maize and eleven kwacha per 180 kg bag of groundnuts to the peasants on the grounds that operational costs were high. The high transport and handling charges forced the union to pay low prices. This in turn did little to encourage production. KCMU realized a large income annually because of the high differential between the prices it paid and that at which it sold.

The major aim of the co-operative societies was to encourage commercial agriculture by organizing market for the peasant produce in the district. In 1976, KCMU Vulamkoko, Kafumbwe and Mzime co-operatives purchased 86,000 tons of maize grown by about 671 growers and in 1977 this rose to 112 tons. These same co-operatives also marketed 6,500 bags of groundnuts in 1977. The local price given to the grower was two Kwacha six Ngwee per 180kg bag. KCMU later sold maize on the line of rail at a net of five kwacha fourteen Ngwee excluding transport charges. This arrangement in pricing resulted in a total profit of ten thousand five hundred kwacha which was to be shared among themselves. This bonus was mainly paid in form fertilizer, ploughs and other essentials. It is clear why fertilizer and ploughs were paid as bonus. This is because top union management wanted growers to increase in their produce in the following marketing season. Table 4, shows the earnings by Katete Co-operative Union and the peasant between 1970-1883. The figure indicates that each marketing season there was an increase in production and earnings.

### Table 4: Katete Co-Operative Marketing Union Earnings, 1970-1983.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Produce</td>
<td>Quantity Bought</td>
<td>Value To Grower</td>
</tr>
<tr>
<td>Maize</td>
<td>31,360 bags</td>
<td>K1890 0</td>
</tr>
<tr>
<td>Groundnuts</td>
<td>11,5030 bags</td>
<td>K3200 0</td>
</tr>
</tbody>
</table>


A commission and bonus helped much in the development of both district marketing union and primary co-operative society because this became part of their income. Consequently, Primary co-operatives ventured into income-generating activities in order to invest their money which helped their members and non-members. Very good example are Kafumbwe, Chimwa, Chagumu and Dole co-operatives built some retail shops and sold groceries. Other assets includes poultry, piggery, storage shades, tractor and cattle. The shops were also had with farming inputs such as fertilizers, seeds and chemicals where members were privileged to buy on hire purchase.

The members used to buy groceries at subsidized prices and they were always issued with a receipt for each purchase. This idea encouraged many peasants to join co-operative and were attracted to buy more goods in the local co-operative shop than elsewhere. The shops used to make a lot of profits because their products used to finish within a short period. For example at Kafumbwe, Dole and Chimwa they used to order groceries from Kavulamungu wholesale nearly after two days because their products used to finish within a week. This shows how successful co-operative were performing in their business. However, it was out of the profits made from the shop that construction of storage shades and many more other investments were done.

The profit from their business also was shared among the members each season. Anyone who had a financial problem would be assisted and repayment was done in installments with 10% interest. Non-members would also be assisted as well but payment was at 50% from the total amount borrowed. The members of the co-operative benefitted a certain percentage of money from their co-operatives without paying back on certain occasions such as weddings, funerals, sickness and calamities which were examined and accessed by executive members.

This trend was very commonly practised in many co-operatives in Katete, but it had brought in confusion in Dole and Chimwa co-operatives where certain co-operative members were sidelined. In these two co-operatives, this idea later came to an end because it was biased. Kafumbwe primary co-operative emerged as the best in Katete District because it had more assets which included two staff houses, one shop, a piggery, poultry and a big storage shade. Kafumbwe co-operative also supplied more farming inputs to its members than any other co-operative. Kafumbwe co-operative was the best because it was well managed and attracted many peasants to join resulting into wider area coverage. Above all, it had well qualified executives who were trained by their co-operatives at Co-operative College in

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77 Interview, Sainet Phiri Former Mzime Primary Co-operative Member, Mzime primary, 24th march 2016.
78 Interview, Chimwala Phiri former Co-operative Member Dole Co-operative and Councilor Dole Ward. 17th February 2016.
79 Interview, John Mwale Agriculture Camp Extension Officer, Ministry of Agriculture Katete. 8th March 2016.
Lusaka and in Katete. Educating and training of co-operative members was a policy of the government to assist members and leaders. From the bonus, commission and other resources which the co-operative made, a certain percentage was allocated for educating the co-operative members. Each year co-operative members used to be trained and this was a government policy to educate co-operative member so that co-operatives are operated in professional. The co-operative college was opened up in Lusaka and Katete in order to impart knowledge and skills in co-operative members. Apart from colleges which were opened, co-operatives members also used to be trained through workshop and meetings organized by the Department of co-operative.

Katete District emerged as one of the best in the co-operatives movement because the co-operative college was opened within the district. This helped many peasants to have access to training and workshops. Trainings and workshops were always held there and sometimes at Katete Farmers Training Centre (KFTC) or Katopolca Farm Institute in Chipata. The structure and organization of these co-operatives in the district was very pleasing such that they functioned as expected. Presently the co-operative college in Katete is still in existence and has greatly improved because it now offers diploma courses in agriculture marketing and accounts.

It is important to note that co-operatives during UNIP government between1971-1986, had fixed assets which were growing. Kafumbwe co-operative emerged as the strongest co-operative in the district because it had the highest number of assets and trained members while Nchingilizya was the weakest. This was because the co-operative only had a grocery shop and no member was trained. These assets which the co-operatives had acquired were able to grow because government continued training co-operative members. The number of trained members at least in each co-operative greatly contributed to the good performance of a co-operative. Most of the co-operative members were at least exposed to workshops and trainings despite that some were not awarded with certificates. However, many primary co-operative societies were formed in Katete district immediately after independence. Many peasants joined the co-operative movement and acquired wealth. Others managed to build brick houses with zinc sheet roofs. Some bought bicycles, radios, sewing machines, cattle and built restaurants. The money from these co-operatives also helped peasants to pay fees for their school-going children and meet other cash needs.

The KCMU which operated sunder ECU also opened the Green Leaf Co-operative bar and a wholesale store at Katete. The wholesale supplied the society’s retail shops with essential commodities such as salt, sugar, cooking oil, candles, soap and cloths. Once a primary society purchased goods from the wholesale store, the union provided transport and minimal charge was made to the society concerned. The bar was also one of the most well-known popular drinking place in Katete. The bar was mainly associated with live bands during weekends which attracted a lot of people including civil servants who could even drink on credits and pay back at the month end. The bar and grocery shop building where it was allocated in Katete is presently occupied by Ministry of Health and is used as a warehouse for drugs storage and a canteen on the other side. The co-operative shop also stocked agricultural implement for supply to primary societies.

The agricultural inputs supplied included hoes, shovel, axes, ox-pulled ploughs, scotch-carts and trek-chains. The prices of all these agricultural inputs were relatively low compared to other shops. The price differentials made co-operative societies popular among the peasant in the District. In this way the co-operative movement attracted many members and commercialized the district as well as the province’s agricultural development.

In 1975, ECU bought a roller meal grinding machine and started processing roller meal which supplied the whole eastern region and following year 1976 a grading and polishing machines for maize, groundnuts and rice/wheat were bought from India and taken to all the district marketing unions. These machines helped in improving works during marketing season which was one of the challenges. In 1984, ECU started a cooking oil plant in Katete and the second one was constructed the following year in Chipata in 1985. The KCMU cooking oil plant became a major processing industry of Katete district and attracted a lot of employment opportunities to the local and outsider.

The plant created a lot of employment to the local people who managed to sponsor their children to school. They also managed to buy assets such radios, farms, cattle and bicycles. Others managed to build their own brick-iron roofed houses in Soweto compound of Katete where they have even settled today. Cooking oil and mealie meal processed by the

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80 Interview, Smart Phiri, Former Co-operative Member for Kafumbwe, 16th June 2016.
83 Interview, John Phiri former Clerical Officer KCMU 1985-1990, 24th February 2016.
85 Interview, Gilbert Zulu former Agriculture Block Supervisor, Mwana Mphangwe, 1974-1986, Katete, 28 February, 2016.
86 Interview, Joseph Kamanga, former ECU and KCMU Marketing Officer, Chipata, 18th April 2016.
marketing union was sold at a cheaper price locally unlike when it was taken outside the district and this was an advantage to the local people. During this period both district union and primary societies had assets which assisted the peasant.

The ECU, through KCMU/ZCF, also gave seasonal loans and other support services to peasants and these made the union popular. These loans were medium and long term loans and were recovered from sales of produce. Loans were usually given to primary co-operative members and reputed peasant through recommendations from executive members from the cooperative and headmen. These loans were in both monetary and material form which included ploughs, cattle, seeds, fertilizers, ploughs and scotch cars. All the primary co-operatives in Katete benefited from these loans. Recoveries were made using a stop order through KCMU. The recoveries were good because each season very few farmers could default in most of the co-operative societies.

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Table 6: Katete Co-operative Marketing Union Loans To Members, 1980-1986.

<table>
<thead>
<tr>
<th>Society</th>
<th>Total Loan Outstanding (K)</th>
<th>Number Of Loans (K)</th>
<th>Average Loan Per Loanee (K)</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mzime</td>
<td>10963</td>
<td>16</td>
<td>6160</td>
<td>46</td>
</tr>
<tr>
<td>Dole</td>
<td>1676</td>
<td>1</td>
<td>1676</td>
<td>86</td>
</tr>
<tr>
<td>Chagumu</td>
<td>88710</td>
<td>9</td>
<td>9165</td>
<td>91</td>
</tr>
<tr>
<td>Chimwaa</td>
<td>2186</td>
<td>1</td>
<td>1676</td>
<td>58</td>
</tr>
<tr>
<td>Kafumbwe</td>
<td>96189</td>
<td>23</td>
<td>443</td>
<td>92</td>
</tr>
<tr>
<td>Chafulu</td>
<td>39910</td>
<td>28</td>
<td>183</td>
<td>54</td>
</tr>
<tr>
<td>Vulamkoko</td>
<td>244176</td>
<td>13</td>
<td>140</td>
<td>102</td>
</tr>
</tbody>
</table>

Table 6 shows the loans that were been by KCMU to primary co-operative member. These loans were recovered from the sales of the produce. The security for repayments was often no more than the good reputation of the peasant although the size of the loan was sometimes limited to about 75% of the estimated value of the loaner’s crop. Loans were therefore usually given to reputed peasant farmers.

Policy Shift and Downfall of Co-operatives in Katete

In 1980, NAMBOARD was directed to be marketing agricultural produce through the Katete District Marketing Union. This situation created a problem in many co-operatives in Katete because co-operatives did not buy more crops. Consequently, co-operative societies did not benefit much from bonus and commission which was awarded after marketing. This privilege contributed much to the development of the co-operatives and the peasant way of life. Between 1983 and 1986, this was gradually reversed culminating in the virtual abolition of NAMBOARD in 1987. The Eastern Co-operatives Union and KCMU were revived in servicing the agricultural sector in terms of production, marketing and supplying productive implements to rural co-operatives.

Among the major policy changes was the introduction of extensive price and restriction of agricultural marketing in maize and fertilizer to ECU, KCMU and NAMBOARD. In mid-1988 maize marketing was further restricted to ECU and KCMU. In mid-1988/1989, the government announced the distribution of NAMBOARD and transfer of its agricultural marketing and related functions including fertilizer importation to ZCF. The government decision was partly as a result of lobbying from the co-operative that all marketing functions were to be performed by co-operative only. NAMBOARD was to be responsible for transportation of fertilizer and maintenance of strategic maize reserves. The following year in 1989, NAMBOARD was abolished and all its services were transferred to ZCF. Other functions which were transferred to ZCF were distribution of grain bags, maintenance of maize strategic reserves and provisions of fumigation services. It was further envisaged that by transferring these functions to ZCF co-ordination with other co-operatives would be easier and thus the system would be much more efficient. This was not the case because the newly introduced system did not improve the programme. The same problems were encountered such as late input delivery and late payment to farmers persisted.

The move to dissolve NAMBOARD was subsequently criticized by many peasant farmers in Katete. Many peasants in Katete complained of marketing system such that, in 1991 the UNIP government was voted out of power. The main objection was that ZCF as a private organization could not be responsible for administering part of the law of land, in the case of agricultural marketing. Peasants also thought that the change of government would improve the co-operative movement and marketing system of their produce in the District. The state of co-operative movement in Katete by 1990 was questionable but still the majority of farmers continued to sale their agriculture produce to co-operatives. The co-operatives in Katete after the abolition of NAMBOARD in 1990 were very weak. The reasons are that the government had not funded the co-operative well because of pressure of elections which followed the same year. The

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87 Interview, Enoch Banda former Mzime Co-operative Executive Member, Katete, 27th June 2016.
other reason is that government had abolished NAMBOARD which was a major transporter of inputs and that the role of ZCF had changed. Many farmers who sold their produce to co-operatives in 1990/91 season had problems to get their money. This is because co-operatives that year were politicised and government purchased crops on credit. The other reason is that government was under pressure with the opposition and campaigns such that what followed next was the general election. Consequently, the UNIP government lost the election in 1991 to MMD and agricultural markets were liberalized and government control abolished.

VI. CONCLUSION

The study looked at the impact of agricultural policies on the farming co-operatives and the evidence presented strongly supported that co-operative movements had an impact in improving agriculture. Through marketing, the co-operative also acted as link between the rural enclave economy and the wider world economy. The data provided conclusively showed that the co-operative movement had been able to provide large proportion of its member’s loans and inputs which helped them to improve farming. This was as a result of good policies of agriculture initiated by the UNIP government that was in power from 1964-91. A comparison between co-operative members and non-member indicated that loans and inputs were more available to members and non-members. The results also showed that peasants who were members of co-operatives had high productions levels, more assets, and easy access to farming inputs than nonmembers. The differences arise from the co-operatives ability to assist its members in improving their farming. The effect of membership in the co-operative movement is further illustrated by looking at wealth of members of co-operative society and nonmembers. The outcome showed that members were much better off than those who did not joined the co-operatives movement.

In summary the study’s finding showed that agriculture policies that were initiated between 1964-91 had an impact on the development farming co-operative movements. This had been able to increase on the average food production and income to its members. The co-operative movements contributed to widening of social inequalities in the rural area. This study also may suggest that there is need for the masses to join co-operatives in order to raise standards of living.

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