

Effect of Governance on Cooperatives' Business Performance: A Case of Bamakasi Dairy Cooperative Union in Kabwe, Zambia

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Abstract—The study was inspired by the need to investigate cooperative governance (systems and processes) focusing on by-laws availability, knowledge and compliance among members, board of directors and management. The research study employed a mixed-methods case study design to investigate the effect of cooperative governance on business performance at Bamakasi Dairy cooperatives Union. The aim was to advance an in-depth knowledge of cooperatives governance specifics associated to business performance. The study combined both qualitative and quantitative data collection and analysis methods to provide a comprehensive understanding of the research phenomenon. For the purpose of this study purposive sampling a non-probability sampling methods was used to identify both the five (5) primary cooperatives and 27 smallholder farmers belonging to these primary cooperative representing 30% of the population with 40.74% women representation as gender perspective was an important governance and business development aspect. Data collected was analyzed using regression, content and thematic analysis using SPSS and NVivo statistical software packages. The study has established that by-laws are not readily available or accessible to members, management and board of directors. It was also revealed that there are no deliberate mechanisms to train stakeholders to understand the by-laws provisions. This has affected members not to fully understand of the provisions which partly influences noncompliance of the by-laws. On the other hand noncompliance was orchestrated by other reasons such as non-enforcement of the rules and regulations by leadership. Therefore, it is recommended that cooperative education be prioritized and a comprehensive appraisal be conducted by relevant authorities whenever a cooperative is seeking certification. This will promote thorough consultation process and engagement of all prospective members and ultimately enhance understanding of their own by-laws culminating to improved compliance levels. As such good cooperative performance is expected that will bring about satisfaction and commitment among members.

I. INTRODUCTION

Over 60 percent of the Zambian rural population depends on agriculture as a major source of livelihood, the majority of which are small scale farmers (National Agricultural Policy, 2004). They are the major contributors to food in the country yet they form the poorest class. For these farmers ensuring food security has become a constant preoccupation since 83 percent of rural inhabitants are poor, and 71 per cent of them are extremely poor (IFAD, 2003). This means that reducing poverty and hunger becomes important to develop programs focus on small scale farmers. The development of the dairy sector by encouraging commercial milk production of smallholder farmers is one of the strategies that may be used

to reduce rural hunger and poverty. Dairy development can be a source of broad-based economic development because it is labor intensive and important in absorbing the underemployed, improving incomes and spreading benefits broadly in the rural population (Omiti and Muma, 2000). Besides, manufacturing and commerce also depend upon the dairy sector as a source of raw materials and market for manufactured goods (e.g. milk processing, feed, drugs/chemicals and other dairy inputs). In addition, there are various trends in motion that have currently increased interest in dairy production and marketing in Zambia. Increases in population, incomes and urbanization generate more rapid growth in demand for dairy products (Sng, 2002; Delgado et al, 1999). Underutilization of capacity by the dairy processing companies due to deficits in milk supply has also led to imports of reconstituted milk powder by some milk processing companies (Neven et al, 2006). One of the major efforts put in by the government to develop the dairy sector has been the liberalization and deregulation of the dairy market. This has presented various marketing opportunities were farmers have various marketing channels from which to choose, thus avoiding exploitation by traders.

Resulting from regional trade agreements such as COMESA, farmers and their agribusiness institutions in Zambia have access to regional market and beyond, hence complimenting the domestic markets. In addition, there are significant opportunities to develop small scale processing plants to serve smaller urban settlements. In Zambia, the milk marketing system is usually classified as formal or informal. In the formal markets, processors are the channel captains and the most important players includes Parmalat (Zambia) limited, Zambeef, Varun Food and Beverages Zambia Limited, Finta Danish Dairies Limited and Trade Kings among others. The informal market refers to all other market structures existing outside the formal market which basically consist of farmers selling raw milk to consumers in rural areas (Neven et al, 2006). However currently a few dairy cooperatives are now engaged in processing (i.e. Fisenge Dairy Cooperative in Luanshya) which is a step forward to improved profitability and owner (small holder farmers) satisfaction.

To participate in organized markets smallholder farmers, need co-operation hence the establishment of the dairy cooperative in which members voluntarily join together to achieve a common end through democratically organization

control, making equitable contributions to capital required and accepting a fair share of risks and benefits of the enterprise. ILO, (2001). To effectively cooperate and operate the business, the cooperative sets up a governance system that prescribes rules and regulations (objectives, values, principles, board structure, operations systems and processes and other terms) that help manage the members-owners, board of directors, management and operations, and external stakeholders engagements Cooperative primary purpose is to uplift social and economic aspirations of its members. It is a socially and democratically controlled association engaged in business beneficial to its members. Surprisingly many cooperatives i.e. dairy cooperatives established by smallholder farmers, are mostly defunct or operate with entwined challenges influencing poor business performance (Siame, M. (2016). This results in members not benefiting from their institutions and therefore lose trust in its leadership and reluctant in cooperative participation. Considering cooperative movement being the vehicle for rural development and uplifting living standards of rural communities, it became necessary to establish how agricultural cooperative governance affect business performance. Therefore a case study was employed to assess by-laws availability determine level of by-laws knowledge and adherence by members-owners, board of directors and management.

The drive of this study was to investigate cooperative governance (systems and processes) focusing on by-laws availability, knowledge and compliance among members, board of directors and management. Also the study examined the availability and use of cooperative operational systems useful to organize and manage business arrangements. The findings are essential for different stakeholders to influence best dairy cooperative coordination and business practices to improve the dairy sector. The dairy cooperative (however different in locations, types of services etc.) can use the findings in the establishment/re-strengthening and planning processes to ensure the guidelines are in place, updated, communicated, understood and complied with by members, board of directors and management to maximize positive business outcomes. The findings also are useful for stakeholders in agricultural development space to benchmark their development agenda to measure progress and changes as they support or partner with cooperatives. Also, for other stakeholders i.e. government line ministries NGOs and private sector this document will remain useful during study and partnerships arrangements.

II. METHODOLOGY

As advanced by Leedy (1997), the design is the plan for the study developed once the problem has been formulated to provide a plan for the detailed steps in the study. This research study employs a mixed-methods case study design to investigate the effect of cooperative governance on business performance at Bamakasi Dairy cooperatives Union. This study is grounded in a Pragmatic Philosophical Framework, which emphasizes the importance of practical application, empirical evidence, and recognition of complexity. The aim is to advance an in-depth knowledge of cooperatives governance

specifics associated to business performance. The study combines both qualitative and quantitative data collection and analysis methods to provide a comprehensive understanding of the research phenomenon

For the purpose of this study purposive sampling a non-probability sampling methods was used to identify both the primary cooperatives that makes up Bamakasi Dairy Cooperative Union and smallholder farmers belonging to these primary cooperative. Out of the 17 primary cooperatives under Bamakasi Dairy Cooperative Union five (5) active primary cooperatives and 30% of dairy farmer members from each primary cooperative were selected. The average number of membership per primary cooperative is 17.5 member (with an average number of the lowest, 15 members and the highest 20 members). Therefore, the total number of respondents that too part was 27 representing 100% participation with 40.74% women representation.

Purposive sampling was employed to purposely cover primary cooperatives and individual farmer members who are participating and not participating in cooperative union activities to capture an in-depth understanding. Therefore, a preliminary meeting was held with the board of directors' representation that has sufficient cooperative knowledge to identify primary cooperatives that has active members using the MCC milk records. The members that are active on milk records were enlisted. The first five (5) primary cooperatives with more active members were selected. This was followed by identification of participants from each enlisted primary cooperative segregating them between active and non-active. During the process the researcher placed interest in selecting respondents with sufficient cooperative memory. Cooperative memory aspects that was used membership longevity, leadership or management position saved and gender. A total of 40 prospective respondents (representing 52.4% more than the sample size required) were identified owing to possible participation failure from unforeseen circumstances among members. This therefore was to ensure 100% sample size participation to obtain sufficient and in-depth data.

To conduct this research a case study was employed using various tools that includes Organization Capacity Assessment Workshop (OCA), Focus Group Discussions (FGDs), Observations and key informant interviews. During the OCA workshop, FGDs and interviews questionnaires were administered capturing both qualitative and quantitative data. To analyze data SPSS was used to examine the relationship between cooperative governance variables (e.g. by-laws availability, by-laws knowledge and by-laws compliance) and cooperative business performance variables (e.g., financial performance, operations performance, members' service provision etc.). On the other hand NVivo was used to identify themes and patterns related to cooperative governance and business performance.

The researcher upholds research ethics before, during and after the research exercise and there proposal was cleared and approved by the Research Ethics Committee of the University of Zambia. Prior conducting research letter of introduction and informed consent forms were sent to all prospective respondents.

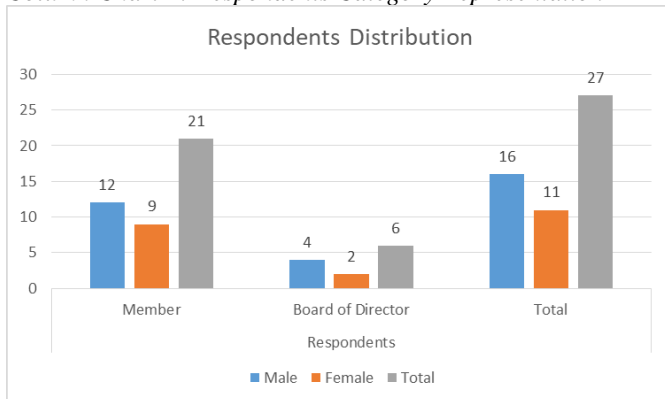
III. RESULTS

TABLE 1: Tabular Representation of Respondents by Category

	Respondents			Percentage Representation		
	Member	Board of Dir	Total	Member	Board of Di	Total
Male	12	4	16	57%	67%	59%
Female	9	2	11	43%	33%	41%
Total	21	6	27	100%	100.00%	100%

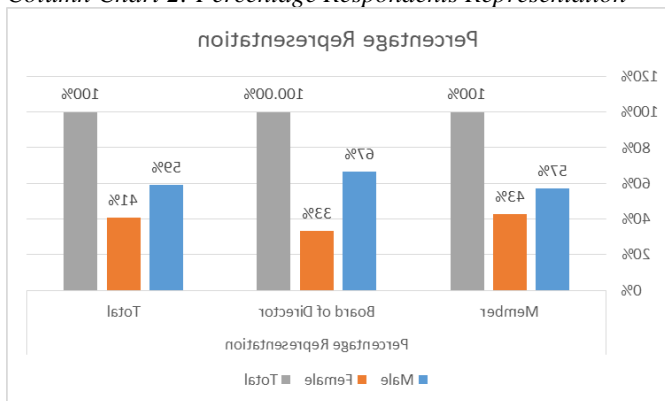
Data Source 1: Primary Research Data 2025

Column Chart 1: Respondents Category Representation



Data Source 2: Primary Research Data 2025

Column Chart 2: Percentage Respondents Representation



Data Source 3: Primary Research Data 2025

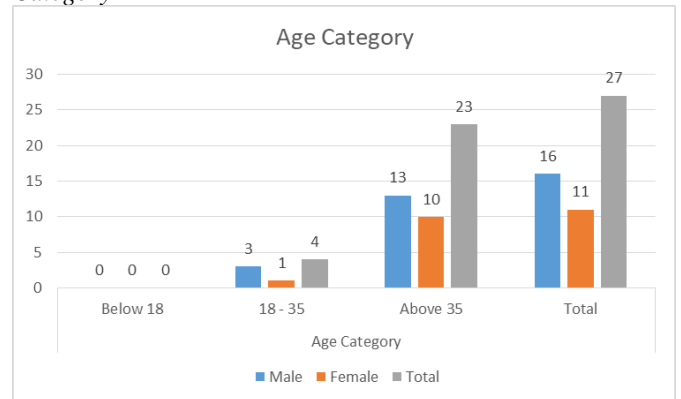
This table above shows the total number of respondents which is 27 representing 100% participation comprising 21 ordinary member and six (6) board of Directors (including 1 staff). Ordinary female member respondents were nine (9) representing 43% whereas male 57%. The board of Directors composed of two (2) females representing 33% and male 67%. *Respondents Age Categories Distribution*

TABLE 1: Tabular Representation of Respondents by Age Category

	Age Category				Percentage Representation			
	Below 18	18 - 35	Above 35	Total	Below 18	18 - 35	Above 35	Total
Male	0	3	13	16	#DIV/0!	75%	57%	59%
Female	0	1	10	11	#DIV/0!	25%	43%	41%
Total	0	4	23	27	#DIV/0!	100.00%	100.00%	100.00%

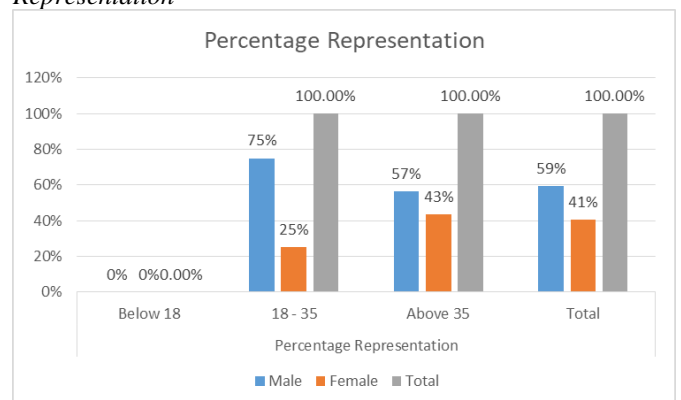
Data Source 4: Primary Research Data 2025

Column Chart 3: Representation of Respondents by Age Category



Data Source 5: Primary Research Data 2025

Column Chart 4: Percentage Respondents' Age Representation



Data Source 6: Primary Research Data 2025

This data represents the age category of respondents. There was no respondent under 18 years for both male and female. For age category 18 to 35 years there were four respondents three being male while one being female. The majority fall under category "above 35" with male 13 and female 11. The total male percentage representation of respondents is 59% and 41% female.

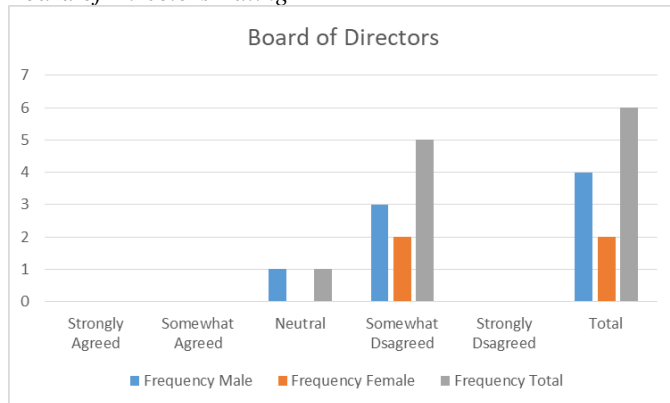
By-Laws Accessibility and Availability

TABLE 2: Tabular Representation of By-Laws Accessibility and Availability Board of Directors Ratng

	Frequency			percentage		
	Male	Female	Total	Male	Female	Total
Strongly Agreed	0	0	0	0%	0%	0%
Somewhat Agreed	0	0	0	0%	0%	0%
Neutral	1	0	1	25%	0%	17%
Somewhat Dsagreed	3	2	5	75%	100%	83%
Strongly Dsagreed	0	0	0	0%	0%	0%
Total	4	2	6	100%	100%	100%

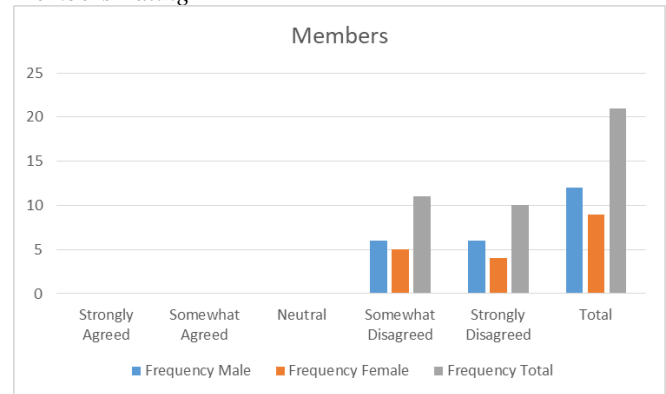
Data Source 7: Primary Research Data 2025

Column Chart 5: By-Laws Accessibility and Availability Board of Directors Rating



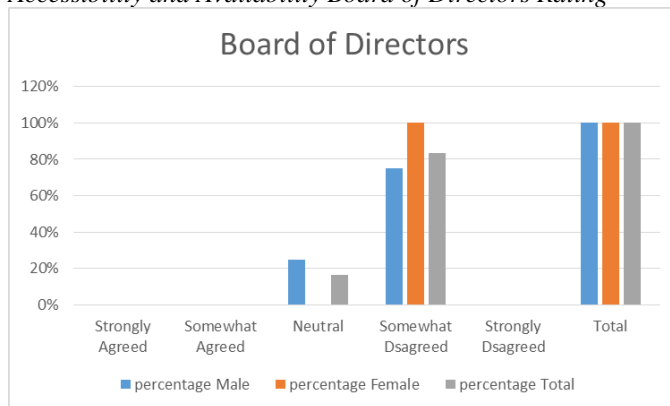
Data Source 8: Primary Research Data 2025

Column Chart 7: By-Laws Accessibility and Availability Members Rating



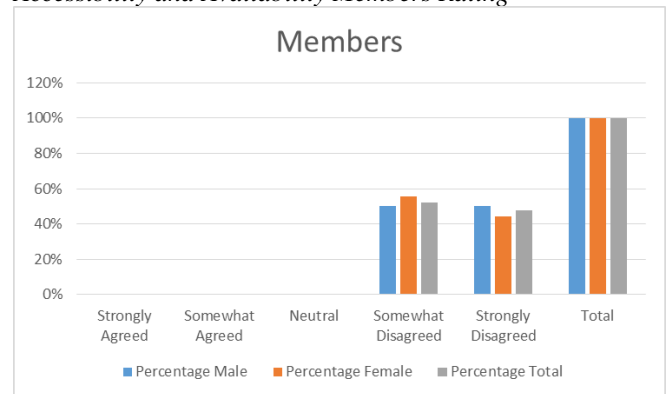
Data Source 11: Primary Research Data 2025

Column Chart 6: Percentage Representation of By-laws Accessibility and Availability Board of Directors Rating



Data Source 9: Primary Research Data 2025

Column Chart 8: Percentage Representation of By-laws Accessibility and Availability Members Rating



Data Source 12: Primary Research Data 2025

This data above determine the extent to which respondents agreed or disagreed with by-laws accessibility or availability at Bamakasi Dairy cooperative Union. Respondents gave their opinion whether the statement is true or not true and how true the statement is or not true. With the rating scale ranging from 1 to 5 where scoring '1' means "I totally disagree," '2' means I somewhat disagree, '3' means neutral, '4' means "I somewhat agree" and scoring '5' means "I totally agree" with the statement" none of the respondents scored '1', '4' and '5' among the board of directors. One male board of directors representing 17% overall nether agreed nor disagreed. Three male and two female representing majority 83% scored '2' indicating somewhat disagreement.

This data above determine the extent to which respondents agreed or disagreed with by-laws accessibility or availability at Bamakasi Dairy cooperative Union. Respondents gave their opinion whether the statement is true or not true and how true the statement is or not true. With the rating scale ranging from 1 to 5 where scoring '1' means "I totally disagree," '2' means I somewhat disagree, '3' means neutral, '4' means "I somewhat agree" and scoring '5' means "I totally agree" with the statement" none of the respondents scored '3', '4' and '5' among members. Six male members and five female representing 52% overall scored somewhat disagreed whereas six male and four female representing majority 48% scored '1' indicating strong disagreement.

By-Laws knowledge and Understanding

TABLE 3: Tabular Representation of By-Laws Accessibility and Availability Members Rating

	Frequency			Percentage		
	Male	Female	Total	Male	Female	Total
Strongly Agreed	0	0	0	0%	0%	0%
Somewhat Agreed	0	0	0	0%	0%	0%
Neutral	0	0	0	0%	0%	0%
Somewhat Disagreed	6	5	11	50%	56%	52%
Strongly Disagreed	6	4	10	50%	44%	48%
Total	12	9	21	100%	100%	100%

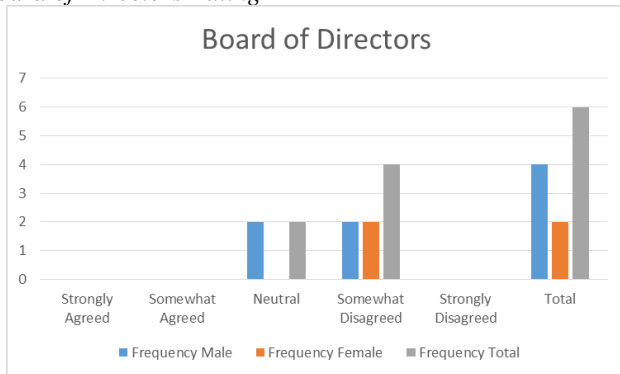
Data Source 10: Primary Research Data 2025

TABLE 4: Tabular Representation of By-Laws Knowledge and Understanding Board of Directors Rating

	Frequency			Percentage		
	Male	Female	Total	Male	Female	Total
Strongly Agreed	0	0	0	0%	0%	0%
Somewhat Agreed	0	0	0	0%	0%	0%
Neutral	2	0	2	50%	0%	33%
Somewhat Disagreed	2	2	4	50%	100%	67%
Strongly Disagreed	0	0	0	0%	0%	0%
Total	4	2	6	100%	100%	100%

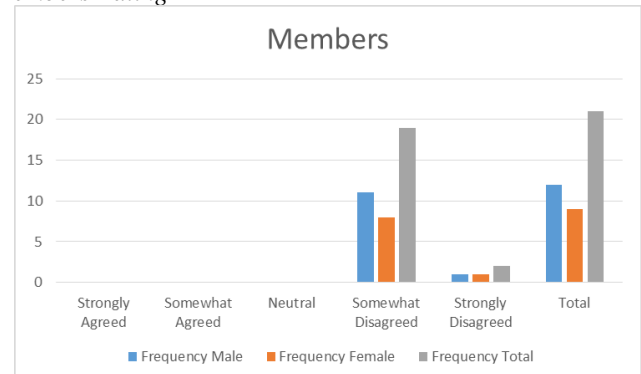
Data Source 13: Primary Research Data 2025

Column Chart 9: By-Laws Knowledge and Understanding Board of Directors Rating



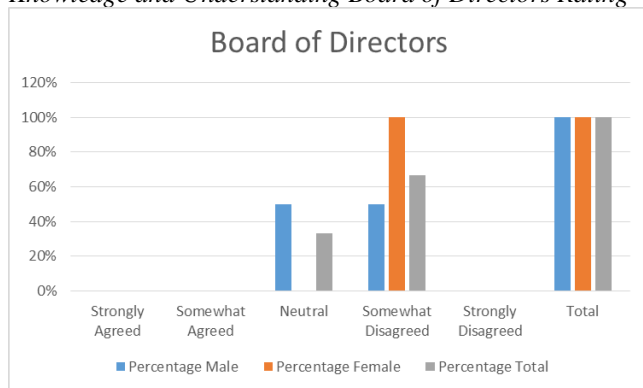
Data Source 14: Primary Research Data 2025

Column Chart 11: By-Laws Knowledge and Understanding Members Rating



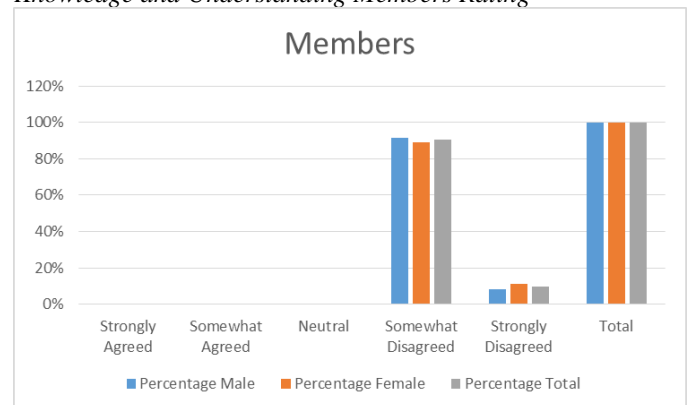
Data Source 17: Primary Research Data 2025

Column Chart 10: Percentage Representation of By-Laws Knowledge and Understanding Board of Directors Rating



Data Source 15: Primary Research Data 2025

Column Chart 12: Percentage Representation of By-Laws Knowledge and Understanding Members Rating



Data Source 18: Primary Research Data 2025

This data above determine the extent to which respondents agreed or disagreed with by-laws knowledge and understanding of members at Bamakasi Dairy cooperative Union. Respondents gave their opinion whether the statement is true or not true and how true the statement is or not true. With the rating scale ranging from 1 to 5 where scoring '1' means "I totally disagree," '2' means I somewhat disagree, '3' means neutral, '4' means "I somewhat agree" and scoring '5' means "I totally agree" with the statement" none of the respondents scored '1', '4' and '5' among board of directors. Only two male board of directors representing 33% overall scored neutral to nether agree nor disagree while two male and two female representing 67% scored '2' indicating somewhat disagreement.

TABLE 5: Tabular Representation of By-Laws Knowledge and Understanding Members Rating

	Frequency			Percentage		
	Male	Female	Total	Male	Female	Total
Strongly Agreed	0	0	0	0%	0%	0%
Somewhat Agreed	0	0	0	0%	0%	0%
Neutral	0	0	0	0%	0%	0%
Somewhat Disagreed	11	8	19	92%	89%	90%
Strongly Disagreed	1	1	2	8%	11%	10%
Total	12	9	21	100%	100%	100%

Data Source 16: Primary Research Data 2025

This data above determine the extent to which respondents agreed or disagreed with by-laws knowledge and understanding of members at Bamakasi Dairy cooperative Union. Respondents gave their opinion whether the statement is true or not true and how true the statement is or not true. With the rating scale ranging from 1 to 5 where scoring '1' means "I totally disagree," '2' means I somewhat disagree, '3' means neutral, '4' means "I somewhat agree" and scoring '5' means "I totally agree" with the statement" none of the respondents scored '3', '4' and '5' among members. 19 members (11 male and 8 female) representing majority 90% overall scored '2' indicating somewhat disagreement while one male and one female representing 10% scored '1' indicating strong disagreement.

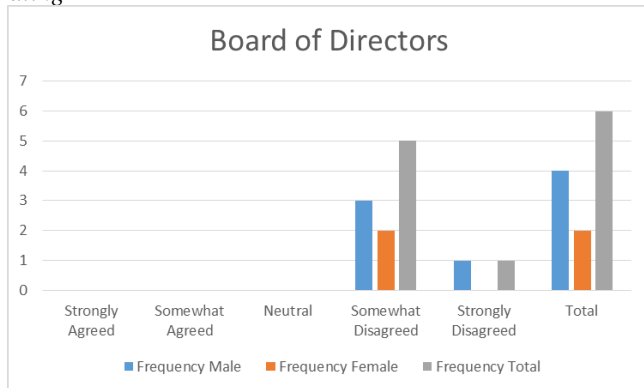
By-Laws Compliance

TABLE 6: Tabular Representation of By-Laws Compliance Board of Directors Rating

	Frequency			Percentage		
	Male	Female	Total	Male	Female	Total
Strongly Agreed	0	0	0	0%	0%	0%
Somewhat Agreed	0	0	0	0%	0%	0%
Neutral	0	0	0	0%	0%	0%
Somewhat Disagreed	3	2	5	75%	100%	83%
Strongly Disagreed	1	0	1	25%	0%	17%
Total	4	2	6	100%	100%	100%

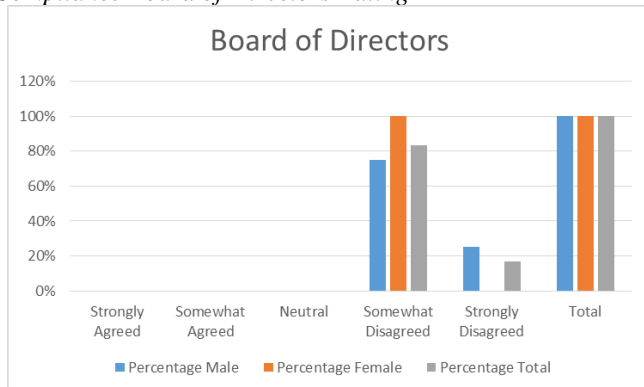
Data Source 19: Primary Research Data 2025

Column Chart 13: By-Laws Compliance Board of Directors Rating



Data Source 20: Primary Research Data 2025

Column Chart 14: Percentage representation By-Laws Compliance Board of Directors Rating



Data Source 21: Primary Research Data 2025

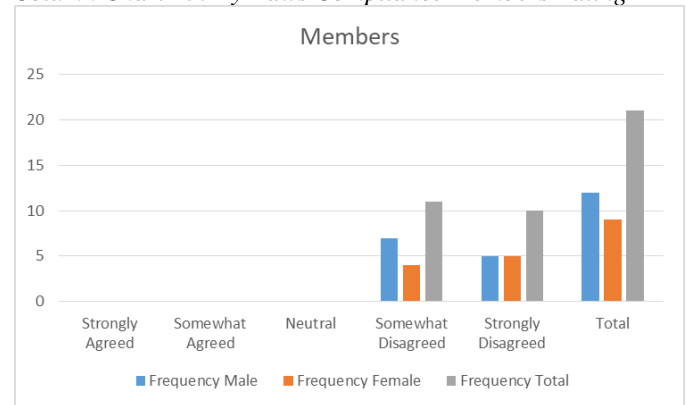
This data above determine the extent to which respondents agreed or disagreed with by-laws compliance of members at Bamakasi Dairy cooperative Union. Respondents gave their opinion whether the statement is true or not true and how true the statement is or not true. With the rating scale ranging from 1 to 5 where scoring '1' means "I totally disagree," '2' means I somewhat disagree, '3' means neutral, '4' means "I somewhat agree" and scoring '5' means "I totally agree" with the statement" none of the respondents scored '3', '4' and '5' among board of directors. Three male and two female board of directors representing majority 83% overall scored '2' indicating somewhat disagreed while only one male representing 17% scored '1' indicating strong disagreement.

TABLE 7: Tabular Representation of By-Laws Compliance Members Rating

	Frequency			Percentage		
	Male	Female	Total	Male	Female	Total
Strongly Agreed			0	0%	0%	0%
Somewhat Agreed			0	0%	0%	0%
Neutral			0	0%	0%	0%
Somewhat Disagreed	7	4	11	58%	44%	52%
Strongly Disagreed	5	5	10	42%	56%	48%
Total	12	9	21	100%	100%	100%

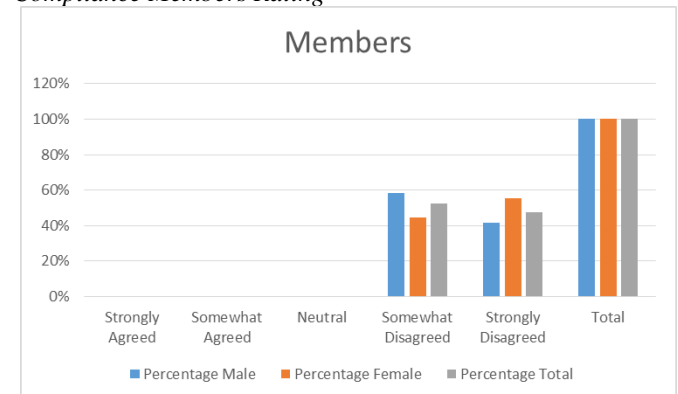
Data Source 22: Primary Research Data 2025

Column Chart 15: By-Laws Compliance Members Rating



Data Source 23: Primary Research Data 2025

Column Chart 16: Percentage Representation By-Laws Compliance Members Rating



Data Source 24: Primary Research Data 2025

This data above determine the extent to which respondents agreed or disagreed with by-laws compliance of members at Bamakasi Dairy cooperative Union. Respondents gave their opinion whether the statement is true or not true and how true the statement is or not true. With the rating scale ranging from 1 to 5 where scoring '1' means "I totally disagree," '2' means I somewhat disagree, '3' means neutral, '4' means "I somewhat agree" and scoring '5' means "I totally agree" with the statement" none of the respondents scored '3', '4' and '5' among members. Eleven (7 male and 4 female) members representing 52% overall scored '2' indicating somewhat disagreed while 10 (5 male and 5 female) members representing 48% scored '1' indicating strong disagreement.

IV. SUMMARY DISCUSSION CONCLUSIONS AND RECOMMENDATION

Summary

The research objective was to analyze cooperative governance specific variables that include by laws availability, knowledge and compliance how they influence on cooperative's business performance. As such agency theory discussed in chapter 1, guided this research which suggests that there is a contractual relationship between principals (member-owners) and agents (managers) in which agents are delegated to act on behalf of principals. According to this

theory, the agents may not always act in the best interests of the principals, due to differences in goals, risk tolerance, and information asymmetry (Jensen & Meckling, 1976). Therefore, this can lead to agency problems, such as moral hazard and adverse selection. Furthermore, the theory assumes that agents may have different goals and preferences than principals, leading to potential conflicts of interest (Ross, 1973) which means that agents may have more information than principals that can create information asymmetry leading to opportunistic behavior. This means more so that emphasis should be placed on monitoring and control mechanisms to align agent behavior with principal interests which can be achieved in having principles, rule and regulations, structures and responsibilities that are well and clearly written, understood and complied with. Therefore, the researcher used this theory to address the three research objectives.

Extent of By-Laws Accessibility and Availability

The findings as exhibited by the results from data collected the by-laws are not readily available to both members, management and board of directors. As shown in table 3 the board of directors indicated that the by-laws are somewhat documented that poses a challenge of easy access to members, board of directors and management. Board of directors also indicated that the only keep a copy in the administrative folder for reference when there is an engagement with external stakeholders i.e. there are prospective supporters intending to work with them.

On the other hand the members revealed that they only see a copy with the board of directors' chairperson during special meeting such as the annual general meetings. This also was revealed in data analyzed under table 4 on the responses gave by respondents. The data indicates that by-laws are somewhat documented but not accessible to the members, management and board of directors. Members further said they know by laws are written and kept somewhere but most members if not all have not seen them, not signed for them and do not fully understand the by-laws.

Gong by the observations during preliminary meetings and Organization capacity workshop held to introspect cooperative governance, work coordination and financial a management operations it was discovered that they do not have proper form of record management such as filing system, documentation procedures etc. The notable record available was the two hardcover books one for the secretary and the other for the Treasurer. Looking through these books it's very difficult to follow because of incomplete and inconsistent records for example a budget is recorded while the actual expenditure is not and there are no receipts or accompanying documentation to support the transaction.

Extent of By-Laws Knowledge and Understanding

From the research conducted it shows that the knowledge and understanding of the by-laws by members, management and board of directors is very low. This is revealed by both the board of directors and management as shown under table 5 and members under table 6 above. No single board of director somewhat or strongly agreed that they have full understanding or knowledge of by-laws except only two who chose to not to agree or disagree. This also points to the fact that they

acknowledge the basic understanding which cannot amount to substantial knowledge useful to guide a process. Both board of directors and member agreed to understand the purpose of the by-laws however the members indicated that it's difficult to understand its content due to non-availability of the by-laws copies and no training sessions which leaves them with limited knowledge of their own document.

It was also highlighted by the stakeholders that cooperative knowledge lacks n cooperatives because of not distributing copies of by-laws to its members there is no deliberate plan to train members on the by-laws provisions and other new establishments or resolutions. They also stated that rules and regulations are hardly adhered to by both board of director management and members. You will find that minutes of the meetings are not properly kept the matters discussed are not clearly reflection n the next meeting reports or minutes to show whether the activities were carried out properly and the results were achieved as desired. No proper control mechanisms n place to show understanding of rules principles and procedures laid down.

The researcher also noted that literacy is a factor in terms of understanding some by-laws provision especially that the cooperative by-laws a regulated by the cooperative act and some of its fields are predetermined that require interpretation and training for members with low literacy levels conducted by experts with local knowledge

Extent of By-Laws Compliance

According to table 7 and table 8 responses from both board of directors and member shows significant disagreement of by-laws compliance. Members, board of directors and management do not comply, to at least one by laws provision or the other. Feedback from the board of directors shows that members do not pay annual subscriptions, they side sell milk impacting cooperative revenue and do not attend meeting despite invitations are given with enough notice. On the other hand it was noted from the members' feedback that members on leadership position overstays which is the clear testimony of no compliance that starts with leadership. However it's worthy to note that other reasons of overstaying given is that they are the one that shows keen interest to carry forward the initiative since most people have lost interest because of the benefits that are not clear or not coming forth at all. It was also noted that some of the reasons for non-compliance of the by-laws are that provisions of the by-laws are not understood because they are not accessible and no training. The benefits of belonging to the cooperative are not felt which has led to lack trust in leadership. It was also mentioned that when others observe that others are not complying and no enforcement is done by leadership then they also intentionally not comply when opportunity comes. Also prolonged noncompliance among members and leaders led a situation to become a norm.

The researcher observed that mismanagement of cooperative resources for example some leaders using cooperative equipment for personal reasons accountability issues contributed greatly to escalated noncompliance behaviors among members. In the past members would pay membership fees but over time stopped because of transparency issues. On the other hand they understanding of

members is that the money contributed as membership fees or subscription is meant for investment that should bring a return and at the end of the year members are given dividend however they have not seen that since they have joined. The situation at the MCC appears to be more of an aggregation Centre where whoever has milk at a point in time would bring his/her milk guided by very minimal milk reception and milk payment procedures. No attention is paid to long term effects such as repair and maintenance of the infrastructure or other activities that bring tangible benefits to the members and the community at large.

Discussion

Following the research objectives to determine the availability, knowledge and compliance of by-laws as the relative base to better business performance of a dairy cooperative it is established from the data collected both primary and secondary that Bamakasi Dairy Cooperative Union is not performing well. The cooperative MCC is well located, most smallholder farmers around the community has both mixed, hybrid and local dairy animal breeds that gives relatively good liters of milk but very few deliver milk at the MCC and those that deliver the liters are very low to sufficiently sustain the operations of the Cooperative Union. The MCC has good infrastructure and equipment, and off takers readily available within the district to buy any amount of liters available. The cooperative has massive opportunity to generate more income and revenue however most members sell milk either within the community or ride bicycle to town located about 15Km away to sell at a slightly better price. Primary cooperative have completely stopped paying subscriptions because members have not seen the benefits of that. However, the governance, financial and operational guidelines although in existence are not functional and are almost nonoperational. Research reveals that the by-laws are not readily available, both board of directors, management and general membership have very low understanding of the by-laws provisions and very little or no form of adherence owing to lack of availability, accessibility and information sharing events on the purpose, principles, terms, procedure and other provisions of the by-laws. As regards the findings of the research it is substantial that guidelines are most useful to be developed by all members, updated and shared to all membership regularly so as to strengthen commitment from all. It was observed during the research that there was no record kept for activity operations and that of finance except the milk delivery records and for the monthly milk payments. Income and expenditure was not kept which is very difficult to track profitability or other financial indicators.

It also emerged from FDGs that prolonged failure to address members concerns was one major basis for members' resentful attitude that has led to gross non-compliance of rules and regulations set out in the by-laws and board resolutions that comes about as a result of changes driven by internal and external factors. Resulting from lack of proper record keeping as observed by the researcher asset management, ascertainment of profitability and/or cash flow becomes very difficult posing a financial or operational informed decision

making challenge. Stakeholders further mentioned that cooperatives in general lack the understanding of the value of keeping governance records stating that every institution is established by rules and principles that brings and guide humans on how to conduct themselves as a member or associate or employee or any relationship that one holds to an institution.

Conclusions

The researcher acknowledges that the dairy cooperatives has varying challenges that limit optimal performance. A dairy cooperative is a business entity with potential to support smallholder farmers to access commercial market and make meaningful income, maintaining a proper cash flow on monthly basis in their micro, small and medium scale businesses. This is true for the facts obtained from literature that milk production per annum in Zambia is below average against annual demand (DAZ annual Report 2018) which means any marginal increase in production will find readily available market. Also as revealed in the ZDTP newsletter volume 5 (2020) that income increases for every farmer that uses homemade concentrates and supplement with silage as feed for dairy cows. The key issue for smallholder farmers therefore is, to have a one stop shop that supports market access relating to production scale for an average smallholder farmers in rural communities. This makes it obvious that a cooperative or any association of people with a common goal is the most essential mechanism for smallholder farmers to participate in commercial markets. However as noted by the researcher there is the direct relationship between having by-laws in place, understanding and using these by-laws and resolutions to govern a cooperative to provide a base for effective work coordination, proper adherence to administrative and financial guidelines which subsequently instill confidence, trust and commitment among general membership. As evidenced by results obtained during this research lack of bylaws availability updates and accessibility leads to poor knowledge of guidelines that influence use and compliance posing a key limitation for the cooperative to perform to members expectations. More so, not having the bylaws available create a challenge for internal stakeholders to know and understand its provisions let alone to comply with the rule and regulations that they do not know or familiar with becomes not easy. Therefore, underneath are the researcher's recommendations while acknowledging the dairy cooperatives weakness as evidenced by the research findings.

Recommendations

Therefore going by this research the researcher presents recommendations as follows: -

1. When establishing a cooperatives the regulatory government department should ensure that all the consultative processes have been fulfilled before issuing a certificate. The verification process should be thorough both desk and field appraisal conducted, to ensure all members took part in the formulation process and fully agreed to and understand the provisions.

2. All internal stakeholders should always have the by-laws copies made available and accessible to them. By laws updates should be done and updated as prescribed in the by-laws and shared to all members, and signed for to agree to such changes. Some or consultative prescribed procedure according to by-laws should be followed/adhered to for any resolutions made.
3. When a member, a leader or staff is found not complying as required, the non-compliance guidelines should be instituted.
4. From the word go benefits accrued to members must be honored as prescribed in the guiding documents irrespective of the amount. This impacts trust and commitment towards the initiative and leadership by its members.
5. Also, it's recommended to research on young people participation in cooperative movements. Sustainability is assured when all age groups take part for easy knowledge transfer and transition facilitation.

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