

International Federation of Agricultural Producers

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Message of the International Federation of Agricultural Producers (IFAP)

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“The theme of this Day: “Microfinance is our Business! Cooperating out of poverty” underscores the essential role of cooperatives in providing microfinance services. For farmers, credit is critical for the development of agriculture, and farmer cooperatives are an adapted tool for financing family farmers’ projects. Agriculture is the motor for economic growth in many developing countries, contributing to improvements in farmers’ livelihoods and food security, to rural development, and therefore to reducing poverty.

Farm families are looking for new opportunities to survive in the globalised world. In the developing countries, they need to go beyond producing food for their families and to generate a decent income from the commercial market. Access to microfinance is crucial to help them overcome this challenge. This allows farmers to develop and gain ownership of their activities, from production and processing to marketing.

Agricultural and rural development depends in large part on the financial capacity of farmers to implement projects that improve the vitality of rural communities. Increases in financial resources contribute to the improvement of agricultural productivity; to the development of income generating activities, to better control of production processes and the management of natural resources.

IFAP calls for much greater attention to be given to helping family farmers to access credit, savings and insurance. Cooperatives are the most appropriate tool in this regard. Because they are organised, owned, run and controlled by their members, coops are able to set up credit and savings programmes adapted to the specificities of rural areas and the real needs of farmers and farming communities.

The success obtained with microfinance in agriculture is undeniable and vital for the social and economic wellbeing in the rural communities. But, while microcredit is important, it must not overshadow the importance of short and long-term agricultural credit by banks and financial institutions, which is also vital for farmers.

Facilitating access to microfinance services through strong cooperatives is a driving force for agricultural and rural development. This will allow family farmers to better control their destiny.

IFAP is the world farmers’ organisation representing over 500 million farm families grouped in 100 national organisations in 70 countries. It is a global network in which farmers from industrialised and developing countries exchange concerns and set common priorities. IFAP advocates farmers’ interests at the international level since 1946 and has General Consultative Status with the Economic and Social Council of the United Nations.