

International Federation of Agricultural Producers

60, rue Saint-Lazare, 75009 Paris, France
Tel. : +33 1 45 26 05 53 Fax : +33 1 48 74 72 12
E-mail : ifap@ifap.org Web Site : www.ifap.org



Agricultural Cooperatives as Part of the Financial Stimulus Package

Today, on the UN International Day of Cooperatives celebrating the theme “Driving Global Recovery through Cooperative Enterprise”, IFAP is encouraging the adoption and strengthening of the co-operative business model as part of national financial and social stimulus packages around the world. On May 26, 2009 in Copenhagen, Denmark, 80 farmer leaders and representatives of international organizations from 40 countries came together to discuss the *Comparative Advantages of Agricultural Cooperatives in Sustainable Development: Coops as Forward-looking Organizations in Corporate Social Responsibility (CSR)*. The conference demonstrated that the cooperative model not only drives economic development, but also political and social responsibility, leading to a more sustainable way of doing business.

Co-operatives, specifically in agriculture, are the business model most resilient to crises. Too often, the main deciding factor for economic success in businesses has been short-term profitability. This culture of short-term gains has brought on the financial crisis, along with decreased social and environmental values, a widened gap between the rich and poor and a volatile outlook for the future. In contrast, a majority of agricultural cooperatives, have been coping well with the crisis.

In a world of market turbulence, agriculture is increasingly seen as a force of new certainty – a way for citizens to reconnect with basic values. Farmers and their cooperatives can respond to many of the concerns of society in providing the link to the land, local culture, food security, nutrition, the struggle against poverty, renewable energy on certain types of land, creating jobs, improving the economy and rural development.

Cooperatives can play a vital role in increasing the farmer’s share of the retail price by augmenting their participation in the value chain. Their sustainability lies in the fact that they are member-driven rather than investor-driven; cooperatives focus on providing benefits to its members, as well as consumers of the co-operative services. Their sustainability can be attributed to the fact that farmers themselves own the cooperatives and are therefore more in tune with the risks they are willing to take. Cooperatives also offer the chance for small-holders to become profitable players in the markets, promoting equity and efficient use of human resources. Values like economic democracy, social responsibility and unity strengthens the cooperatives from the bottom-up.

Towards these ends, farmer cooperatives around the world are making entrepreneurial and innovative choices that are creating employment and improving livelihoods of their members. On this International Day of Co-operatives, IFAP encourages governments to recognize the contribution that cooperatives can play to help drive global economic recovery, and facilitate their role in creating value-added in agricultural markets while continuing to contribute to rural development. Financial stimulus packages of governments should promote an environment in which agricultural cooperation can function and develop their aptitudes, realizing that cooperatives are the most resilient business model to face a fluctuating financial market. All stakeholders are called to seriously consider cooperatives as a multi-faceted solution to the economic recovery for a sustainable future.

For more information: Fabienne Derrien, fabienne.derrien@ifap.org

Press Contacts: Neil Sorensen, neil.sorensen@ifap.org or Jessica Goodfellow jessica.goodfellow@ifap.org

IFAP is the world farmers’ organisation representing over 600 million family farmers grouped in 115 national organisations in 80 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.