

INTERNATIONAL CONFERENCE: "WHAT MICROFINANCE FOR DEVELOPING COUNTRIES' AGRICULTURE?"

December 4, 5 and 6, 2007, PARIS (FRANCE)

WORKSHOP 2: RESPONDING TO AGRICULTURAL FINANCE NEEDS THROUGH INNOVATION

THE ISSUES

Financing family farms and producer organizations involves many particularities: unreliable harvests, low profitability of activities financed, climactic risks, epidemics and unstable selling conditions ("imperfect" market conditions, price variations that depend on local economic agents and international markets).

The financing required for agricultural activities is highly diversified in terms of amounts and terms. Seasonality of activities and income flows makes financing even more difficult, since the monetary income for reimbursement is sporadic. This requires financial agents to adapt their credit procedures to the agricultural calendar. Finally, assessing repayment capacity of a borrower is often challenging, given lack of separation between the farm and household finances.

In light of these difficulties, the microfinance and agriculture sectors are innovating to better respond to the specific needs of agriculture. This workshop seeks to demonstrate their creativity and will address the potential for different forms of innovation to better fit farmer's needs, including

- Products and procedures;
- Non-financial tools such as : marketing, communication, information systems, etc.

EXPECTED OUTCOMES

During the workshop, participants are invited to discuss the types of support (technical, legal, policy) required to encourage innovation. Concrete recommendations for moving forward will be proposed.