

January 2010

Dear Friends,

Greetings to you in the Lord Jesus Christ!

“Blessed is he that considereth the poor.” Psalms 41:1

You are blessed, because your heart is for the cause of the poor. Thank you so very much for your love and generosity this past year.



FARMS is celebrating 49 years of ministry this year and Pat and I are marking our **25th** year with FARMS! Our time with FARMS has been a marvelous journey. We are so thankful for the opportunities that the Lord has given us to serve poor Christians around the globe. What a truly fulfilling life God has given us.

Periodically, I take time to step back and look at the ministry of FARMS to see where we might be more effective. Recently I had the opportunity to give a talk at ECHO's Annual Agricultural Conference. The topic I presented was ***Microcredit: A Closer Look***. Presenting this talk gave me an occasion to study what is taking place in the growing field of micro-finance. What I discovered encouraged and greatly disturbed me! Let me explain.

Microcredit has gone mainstream in the last decade. The UN declared 2005 as the Year of Microcredit and in 2006 Dr. Muhamed Yunus was awarded the **Nobel Peace Prize** for establishing the Grameen Bank in Bangladesh! The, for profit, Grameen Bank gives microcredit loans to mostly women in Bangladesh. Following his lead, hundreds of organizations now use the Grameen Bank model. Money has poured into these new programs. The World Bank and other large players are now involved in making loans to the poor. "That's great!" you might say! But is it?

You might be surprised to hear me say, that the current trend in microcredit is very troubling. During the Watergate scandal, a key player said, "Follow the money!" There is wisdom in this adage for the Bible says; *"The love of money is the root of all evil."* 1Timothy 6:10

The money trail in most microcredit schemes today is heart breaking! Billions of dollars are being made off the poor through high interest micro loans! I will be elaborating on this in future editions of our newsletter "*Doing Good That Is Good.*" But, as supporters, I wanted to share with you some important facts . It will become very apparent that FARMS in no way resembles today's popular model of microcredit.

The two pillars holding up the world's system of microcredit are **usury and surety!** Yes, usury and surety, both forbidden by the word of God, are the **foundation** for the current growing fad of microcredit. If one investigates, you will find that normal loan interest rates charged to the poor, range from 36% to 60+% APR! The Bible calls this *usury*. The World Bank and others call it "Best Practices". **The poor finance the profitability of the whole system.** Even the well meaning investor, who believes he is "*Doing well, by doing good!*" is making money off the poor. Similarly, surety for other's debt is strictly spoken against in God's word. Nevertheless, most microcredit programs require that the loan recipient be a part of a solidarity group, where each member guarantees the other member's debts! The resulting negative social ramifications are just now being documented. Without these unbiblical pillars, designed to ensure profitability, the world's microfinance programs would not exist. **Would you be willing to get credit this way?**

Our slogan at FARMS is "***Doing Good That Is Good!***" We can say this because the foundation for this ministry is God's word. We are not out to make a profit on the poor, we are there to help the poor come out of poverty and to encourage them in biblical stewardship. There is a world of difference! This always encourages me.

This year our prayer is to strengthen all our existing programs as well as starting new ones in Cambodia and Mali! Your love and help are so appreciated. We always love to hear from you, your notes of encouragement are cherished.

May the Lord Jesus bless you abundantly in this New Year!

Love in Jesus,

Joseph Richter
Executive Director
FARMS International, Inc.
PO Box 270
Knife River, MN 55609
joe@farmsinternational.com



PS Pray for Haiti. Our programs may not have been directly impacted, but this has touched the whole country in many ways. We will keep you informed. Nathan McLaughlin's parents, Bud and Jeanette are in Haiti, pray for them and Haiti Mercy Mission.