

FARMS AS A FORM OF AGRARIAN ENTREPRENEURSHIP

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ABSTRACT

The article considers the development trends of Ukrainian farms from 2010 to 2020 period. The dynamics and structure of agricultural production are analyzed. The agricultural production efficiency level in farms as a form of agricultural entrepreneurship is studied. The modern farms problems have been identified. The level of farms state support is assessed and the directions of its improvement are determined. The object of research is the economic and social processes of farm development as a form of agricultural entrepreneurship. Subject: The subject of the study is a set of theoretical, methodological and applied aspects of farm development as a form of agricultural entrepreneurship in Ukraine. The necessity of system measures development for increasing farms efficiency functioning is substantiated.

Keywords: farms; entrepreneurship; efficiency; profitability; state support.

INTRODUCTION

The relevance of scientific and applied research of the farms development problem as a form of agricultural entrepreneurship in Ukraine is due to: the importance of this organizational and legal form of agricultural production in ensuring the nation and the world food security; the need to increase the economic efficiency of agricultural production and strengthen its competitiveness on an innovative basis in domestic and global markets; the urgency of solving socio- demographic problems of the village and the growing role of farmers in maintaining the rural settlement network; the objectivity of the economy globalization, which includes farms in the system of world agricultural production with corresponding product quality standards; prospects for the participation of farms in foreign economic activity and ensuring foreign exchange

earnings to the state budget.

For Ukraine, the development of entrepreneurship in the agricultural sector and improving the agricultural production efficiency is of strategic importance for the national economy growth, because its successful operation creates conditions for crisis overcoming a number of related industries.

Almost 30 years have passed since the beginning of agrarian reform in Ukraine, but in scientific circles there are still discussions about the effectiveness of various forms of entrepreneurship that have developed in the agricultural sector. In our opinion, there is almost no ideal management form, each of them has its advantages and disadvantages. Therefore, a one-sided approach to the assessment of any entrepreneurship form in agricultural production does not provide an objective assessment of the economic processes taking place here.

One of the criteria for assessing the activities of various organizational and legal forms that have developed in the agricultural sector, may be the level of their operation efficiency.

Analysis of recent research shows that the basis of modern entrepreneurship in agricultural production are farms.

The scientific works of such leading economists-agrarians as V.Ya. Messel-Veselyak, MM Fedorov [1], P.M. Makarenko [2], L.Yu. Melnik [3], M.Y. Malik [4], G.V. Spassky G.V. [5] and

many others. The conducted research testifies to the prospects, high efficiency and necessity of using the experience of the world leading countries farming functioning in Ukraine agriculture.

The main advantage of farming over other management forms is that the main motive of employee labor activity is the personal interest of the farmer [5, p.51].

Farms operate on the basis of attracting mainly their own labor, this is due to the specifics of the employees motivational system in this business structure, as the main reason for participation in economic activity is not to receive income in the form of wages, but to maximization of cash inflows to increase the welfare of the farms and its members as a single socio-economic community [6, p.272].

Proving their ability and competitiveness, they have firmly taken their niche in agricultural production in Ukraine. The effective functioning of the above-mentioned subjects of agrarian business contributes to improving the living standards of the rural population: the emergence of jobs in rural areas, obtaining additional earnings, the rational use of agricultural land.

However, as noted by Biba V.A., Korinets R.Ya. [7, p.89] there are many unresolved issues, the most acute of which are: the general technical and technological backwardness of these entities; low sales prices of agricultural products in relation to prices for other industries products; impossibility of manufactured products constant sale; inflation and rising prices for means of production, mineral fertilizers, energy; insufficient level of own working capital; etc.

Among the problems faced by farms, a special place, as noted by researchers, is the problem of insufficient state support for farms [7,8].

Osipova M.M. and Dobrova N.V. [8] draw attention to a number of problems that hinder the development of farms: lagging behind current trends in the introduction of innovative agricultural technologies (new technologies and technical support are not available to most farmers due to their high cost); lack of start-up capital on the basis of which it would be possible to build efficient production.

Despite the multifaceted research of domestic scientists on identifying problems of farms efficiency, further scientific substantiation requires questions to find the main directions of effective development of farms in Ukraine, taking into account the current challenges of their operation external environment.

The purpose of the study is to analyze the level of development and efficiency of farms in Ukraine as a form of agricultural entrepreneurship and identify areas for improvement.

In the research process the following methods have used: generalization, concretization; structural, analysis of time series.

RESULTS AND DISCUSSION

Farming is a modern form of agricultural activity organization, free enterprise on land, carried out on the principles of economic benefit. It is based on private (individual) ownership of the production means, including land (part of the funds may be in use, including rent), and on a small group, mostly family, form of labor.

Farms are an integral part of the agro-industrial complex of Ukraine and take an important role in ensuring food security. As of January 1, 2020, there were 47.7 thousand farms in Ukraine. In the structure of agricultural production in Ukraine, they produce about 16% of gross agricultural output (Table 1).

Table 1. The share of farms in the production of agricultural products by Ukraine agrarian enterprises, %

Indexes	2010	2015	2017	2018	2019	2020	2020 until 2010, +, -	2020 until 2015, +, -
In the production of agricultural products, total	13.30	14.96	16.18	16.71	17.57	16.62	3.32	1.66
In the production of crop products	15.86	17.47	18.69	19.10	20.12	19.27	3.42	1.80
In the production of livestock products	4.08	3.94	4.14	4.22	4.44	4.79	0.71	0.85

Calculated by the authors using data from the State Statistics Service of Ukraine.

Farms show a steady increase in the share of agricultural production in Ukraine. In such conditions, one of the most important tasks is to increase the level of agricultural production efficiency. The food security of the country depends from this task solution.

In a set of measures to increase the economic efficiency of agricultural production, the most important is the land rational use on the basis of increasing its fertility and increasing crop yields (Table 2).

Table 2. Crop yield, h per 1 ha

Crops	2010	2015	2017	2018	2019	2020	2020 until 2010 in%	2020 until 2015 in%
Agricultural enterprises of Ukraine								
Cereals and legumes	27.9	43.8	45.6	52.2	53.7	46.4	166.31	105.94
Sugar beet factory	281.5	448.2	484.1	518.8	470.3	421.0	149.56	93.93
Sunflower	15.4	23.0	21.3	24.1	27.0	21.4	138.96	93.04
Potato	172.3	198.6	238.4	252	230.5	229.4	133.14	115.51
Vegetable crops	205.2	363.4	435.3	427.4	415.8	396.1	193.03	109.00
Fruit and berry crops	34.8	70.8	64.9	106.2	72.7	77.4	222.41	109.32
including farms								
Cereals and legumes	22	33.4	37.1	41.1	44	37.4	170.00	111.98
Sugar beet factory	250.8	422.3	499.1	538.5	502.8	445.1	177.47	105.40
Sunflower	13.4	20.8	18.8	21.9	24.5	18.0	134.33	86.54
Potato	162.1	163.2	189.2	207	196.9	196.8	121.41	120.59
Vegetable crops	161.2	316.3	348.4	330.9	368.3	373.9	231.95	118.21
Fruit and berry crops	51.6	69.8	69.4	112.9	83.7	86.8	168,22	124.36

Source: Calculated by the authors using data from the State Statistics Service of Ukraine.

The crop yields dynamics analysis revealed its growth in most crops. The exception is the decline in sunflower yields over the past 5 years. Moreover, in farms, for most crops, the yield is lower than in general in agricultural enterprises.

Grape	62.9	38.2	51.3	17.8	0.9	-8.6	-71.5	-46.8
Milk	4.9	20.5	25.9	18.0	20.1	22.5	17.6	2.0
Cattle for meat	-7.1	3.3	-2.1	-6.4	-14.6	-9.5	-2.4	-12.8
Pigs for meat	-2.5	2.4	-6.7	1.1	1.4	1.8	4.3	-0.6
Sheep and goats for meat	-13.7	-2.9	-15.1	-3.7	-32.5	-21.2	-7.5	-18.3
Poultry for meat	13.4	10.2	3.5	6.8	13.2	10.7	-2.7	0.5
Chicken eggs	-	-	14.1	9.3	-9.8	-0.7	x	x

Source: Calculated by the authors using data from the State Statistics Service of Ukraine.

Unprofitable production of crops, against the background of increasing yields, indicates that the growth rate of costs exceeds the growth rate of producers income.

In animal husbandry, almost all types of products are unprofitable, except for milk, which requires the development of effective measures, including by government agencies, to support this industry. The development of animal husbandry contributes to the provision of rational crop rotations in crop production, and is also socially significant in the context of providing the rural population with jobs.

Improving the economic efficiency of farms, increasing their financial stability, increasing production and development of the industry resource base are impossible in modern conditions without state support. Today, financial support for agriculture is provided mainly through a set of programs aimed at improving production efficiency and ensuring profits for agricultural producers. The state has developed a program aimed at the development of agriculture in Ukraine. This is the only comprehensive strategy for the development of agriculture and rural areas for 2015-2020, it was aimed at comprehensive implementation of a number of reforms, which have long been waiting for agricultural producers, agricultural businesses and the rural population. This program provided the basis for a stable and transparent legal system aimed at improving the business climate, introducing a transparent land market and combating corruption, and encouraging investment in the modernization of the agricultural sector. It also provided the basis for the institutional reform needed to effectively monitor and implement these measures. The strategy was aimed at strengthening the competitiveness of agricultural enterprises and increasing exports, ensuring the development of rural areas and preserving natural resources with environment. On November 25, 2020, the "Food Security Strategy until 2030" was approved, the main directions of which are measures to develop sustainable agricultural production and diversification of production.

It is also necessary to note the factors that slow down the level of agricultural development in general: poorly developed infrastructure, unstable political and economic situation, depreciation, unstable and unpredictable fuel prices, imperfect regulatory framework, outdated production technology, non-compliance with crop rotation and sowing, which deplete the soil and degrade soil quality.

The main strategic directions of farms development in Ukraine should be: improvement of the regulatory framework that would ensure the stable development of agriculture; production of organic, safe and environmentally friendly agricultural products; implementation of STP achievements and innovations; involvement of young people in agriculture; ensuring decent wages in agriculture, etc.

State support should be aimed to information and consulting support development, the insurance development, the availability of credit, the development of agricultural leasing. Improving the financial and credit policy for agricultural production by farms will help to overcome the seasonal shortage of funds, increase production of agricultural machinery, mysterious accumulative production.

The development of agricultural cooperatives by farms strengthens their competitiveness, increases the economic efficiency of production and marketing activities, provides conditions for the expansion of reproductive.

CONCLUSION

It is established that farms occupy a significant share in the structure of agricultural production in Ukraine and are a promising part of the diversified agricultural sector, which has a strong resource potential. It is argued that the further development of farming in Ukraine requires their active participation in agro-

industrial integration, which allows the use of advanced methods of processing agricultural raw materials, reduces losses of agricultural products, improves the quality of food and facilitates their sale.

It is determined that intersectoral agro-industrial structures with the participation of farms should become an important market entity capable of farms ensuring stable operation, forming effective sales channels for agricultural products, optimizing costs and increasing return on investment. It is substantiated that the main priority directions of farms development as a form of agrarian entrepreneurship are: improvement of the state regulatory policy in the field of agrarian entrepreneurship; production of organic, safe and environmentally friendly agricultural products; introduction of scientific achievements and technical progress and innovations into management practice; strengthening information and consulting support; development of agricultural cooperation and public-private partnership; increasing access to loans for small and medium-sized agricultural enterprises; development of agro-leasing and insurance; increasing the prestige of labor in agriculture and involving young people in the farms development. conducting agricultural production.

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