

## MODERN STATE AND ECONOMIC DEVELOPMENT TRENDS OF AGRARIAN ENTERPRISES IN VINNYTSYA REGION

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*Summary.* In the article the dynamics of development of agrarian enterprises of the Vinnytsya region in modern conditions are analyzed. The level of state support and peculiarities of the distribution of targeted public spending on agricultural support are determined. The efficiency of development of agrarian sector on the basis of unity of economic, social and environmental interests of the society are justified. This will promote economic growth of agricultural enterprises, increase of competitiveness of agricultural production, the formation of qualified human capital and ensuring food security.

**Keywords:** agriculture; gross products; productivity; profitability; state support.

**Introduction.** Agricultural enterprises play an important role in ensuring food and economic security of the state. Their development depends on the formation of a competitive environment in the sphere of agriculture, the expansion of export potential of the country and creation of favorable social conditions of life of rural residents and improvement the welfare of their families. As agricultural production is the main activity in rural areas, it is the growing interest of scientists to the problems of development of agrarian enterprises in the context of solving the problems of effective development of rural areas.

**Analysis of the last researches and publications.** Such scientists as V.G. Andriychuk, O.M. Borodina, V.M. Geyets, M.I. Malik, I.V. Prokopa, P.T. Sabluk, M.P. Sahatskiy, V.G. Fedorenko, V.V. Yurchyshyn and others devoted the works for research of the issues of development of domestic agriculture and agrarian enterprises. However, there are still many unsolved scientific and applied problems relating to the enhancement of effective functioning of the agricultural enterprises as the main factor of development in rural areas of Ukraine.

The aim of the article is to justify the tendencies of economic development of agrarian enterprises of Vinnytsya region.

**The results of the research.** The agrarian sector of the Vinnytsya region is one of the most powerful in Ukraine. The share of the total gross output of agriculture is 6,5%. By the level of gross production of agriculture Vinnytsya region in 2012 ranked second in Ukraine, including crop production - the first and livestock fifth place. Among the products of plant-growing the region is the undisputed leader in the cultivation of fruits and berries. By the level of production of grain crops and sugar beet in 2012, the region ranked second after the Poltava region. Also it holds the leading position in production of milk, whose volume 847.4 thousand tons in 2012 was 7.4% of the total production in Ukraine.

For 01.11.2012, in the Vinnytsya region there were 2354 agricultural enterprises, including 7 state-owned and 2114 non-state enterprises. The dominant organizational and legal forms of agricultural enterprises are farms, which accounted for 72.1% of all enterprises, economic societies – 15.0%, private enterprises – 7.8%, the enterprises of other forms of management – 3.1% and production cooperatives – 1.7% [1, p. 141].

The territory of Vinnytsya region is characterized with favorable climatic conditions for cultivation of agricultural production, as well as high-quality soils, providing high yields of wheat, sunflowers, sugar beet and other crops.

The results show that on the farms of Vinnytsya region there is gradual, though not stable increase in the volume of agricultural production (table 1).

**Table 1**

**Agricultural production in Vinnytsya region**

	2008	2009	2010	2011	2012	2012 до 2008, %
Gross harvest, thous. quintal						
Grain and leguminousplants	33776.1	30922.6	31113.4	42435.6	36247.1	107.3
Sugar beet	22365.1	14045.5	24565.2	30127.4	28440.2	127.2
Sunflower	2175.8	2229.6	2747.4	2890.2	3466.4	159.3
Canola	3301.3	2640.0	787.6	1429.9	1153.3	34.9
Potatoes	15488.5	15579.1	15802.2	18567.9	17326.3	111.9
Vegetables	3181.4	3026.9	3109.0	3880.5	3662.3	115.1
Garden-stuffs and berries	1623.0	2130.2	1892.4	2476.4	2521.9	155.4
Productivity, quintal/hectare						
Grain and leguminousplants	41.0	37.0	36.9	49.3	43.1	105.1
Sugar beet	360.4	290.0	327.0	418.0	350.0	97.1
Sunflower	18.3	20.9	16.8	19.5	22.0	120.2
Canola	24.8	21.4	17.9	19.9	21.9	88.3
Potatoes	151.6	154.0	155.0	175.0	160.0	105.5
Vegetables	201.4	197.0	196.0	198.0	179.0	88.9
Garden-stuffs and berries	74.9	97.3	87.1	112.9	109.7	146.5
Collected area, thous. hectare						
Grain and leguminousplants	823.1	836.4	843.7	860.2	841.5	102.2
Sugar beet	62.1	48.5	75.1	72.0	81.2	130.8
Sunflower	118.7	106.9	163.3	147.9	157.4	132.6
Canola	133.3	123.1	44.0	72.0	52.6	39.5
Potatoes	102.2	101.1	101.7	106.3	108.4	106.1
Vegetables	15.8	15.4	15.8	19.6	20.5	129.7
Garden-stuffs and berries	24.7	24.7	24.9	25.5	26.1	105.7

Source: Statistical Yearbook of the Vinnytsya region in 2012

For the period 2008-2012 in Vinnytsia region the production of grains and legumes increased by 7,3 %, sunflower - by 59,3 %, vegetables - by 15,1 %, potatoes - by 11,9 %, fruit and berries - by 55.4% due to expansion of harvested area and significant crop yield increase. Due to the expansion of sown areas of sugar beet by 30.8% the production increased by 27,2 %. However, the hot weather in August and September of 2012 has become the reason of decrease in yields from 360,4 g/ha to 350,0 g/ha, which negatively affected the formation of the mass of roots.

However, canola production in 2012 decreased by 65,1 % compared with 2008. The main factor of decrease in volumes of manufacture was the reduction of sown areas by 60,4 %.

In the livestock industry over the studied period, there is the decrease in the number of cattle in all categories of farms in Vinnytsya region by 5,9 % from 364,8 to 343,4 thousand heads, including cows by 10,2 %, from 192,6 to 173,0 thousand heads. While the number of pigs, sheep and goats, poultry increased respectively by 5,4 %, 8,5 % and 39,8 % [1, p. 171].

The main producers of agricultural products in the Vinnytsya region are agricultural enterprises, whose share in the total regional production of gross output is 53.6%, including plant growing – 62,0 %, cattle breeding – 31,7 %.

While analyzing the main indicators of financial and economic activity of agricultural enterprises of Vinnytsya region for 2008-2012, it should be noted the growth of specific weight of profitable farms, which affected the increase in the amount of profit received from the whole activity so per farm (table 2).

**Table 2**

**Main indicators of financial and economic activity of agricultural enterprises of Vinnitsya region**

Indicators	2008	2009	2010	2011	2012	2012 до 2008, %
The number of agricultural enterprises, units	516	498	487	494	473	91.7
Average number of workers employed in agricultural production, persons	40511	34344	33820	32003	32662	80.6
The share of profitable farms, %	71.7	72,5	82.8	86.8	84,6	-
The sum of profit, mln. hrn.	392.4	419.4	746.5	1181.0	1065.7	2.7 times
The profit per 1 household, thous. hrn.	1060.5	1161.8	1852.4	2752.9	2664.3	2.5 times
The share of unprofitable farms, %	28.3	27.5	17.2	13.2	15.4	-
The sum of unprofit, mln. hrn.	-130.8	-162.0	-110.9	-62.2	-170.6	130.4
The unprofit per 1 household, thous. hrn.	-895.9	-1182.5	-1320.2	-956.9	-2337.0	2.6 times
Profit (loss) from all activities, mln. hrn.	261.6	257.4	635.6	1118.8	895.1	3.4 times
Earnings (loss) per 1 ha of agricultural land, hrn.:						
- from all activities	273.39	268.63	665.27	1160.82	882.48	3.2 times
- from sales of plant cultivation products	279.83	295.75	672.13	1117.25	842.80	3.0 times
- from sales of animal products	-12.61	-23.31	-31.79	25.92	0.68	-
Level of profitability (loss) agricultural products, %	11.5	8.5	19.4	24.6	15.6	-

*Source: Main economic indicators of agricultural enterprises to 2012 (statistical Bulletin)*

However, there is a constant reduction in the number of entities that report by a statistical form 50 agriculture. Thus in 2012, compared with 2008, their number decreased by 8,3 %. Simultaneously, there was reduction of the average number of

employees employed in agriculture, by 19.4%.

Effective indicator of the activity of the agricultural enterprise is profitability, which shows that the funds received from the sale not only offset the cost of their production, but also bring profit. The level of profitability of agricultural enterprises of Vinnytsya region has increased from 11,5 % to 15,6 %. Thus, the share of the unprofitable agricultural enterprises in their total number has decreased from 28,3 % to 15,4 %.

The most cost-effective agricultural enterprises of Vinnytsya region among crop production in 2012, was the production of sunflower, grain crops, sugar beet and fruit, where the level of profitability was 35,7%, by 16,6%, 8,8% and 5,9% respectively. It should be noted that in 2008 production of sunflower, sugar beet, fruit and potatoes was unprofitable.

As for production of animal industries only milk production at the level of 6.5 %, poultry meat 9,3 % and eggs 21,7 % were profitable in agricultural enterprises of the region [1, p. 147]. Results of functioning of the agricultural enterprises largely depend on the state support of agrarian sector. The main legal acts that determine the state support of agricultural sector and agricultural producers in Ukraine there are laws of Ukraine «On state support of agriculture of Ukraine», «About main principles of state agricultural policy for the period until 2015», the State target program of development of the Ukrainian village for the period until 2015 and other. According to the above-mentioned regulatory acts, the state support of the agrarian sector of Ukraine is carried out on the following directions: price regulation, subsidies and subsidies on production and acquisition of resources, the financial and credit support, tax incentives in the form of fixed agricultural tax (FAT), as well as a special mechanism of payment of value added tax (VAT), specialized support in separate directions and programs [2, p. 116].

Analyzing the level of the state support of agriculture of the Vinnytsya region, it should be noted that in 2008 it was the greatest, when the size of the allowance was 283,0 million hrn., of which 158.3 million hrn. was due to budget subsidies. Public expenditure on 1 ha of agricultural land were 295.8 hrn. (table 3).

Due to the financial crisis in 2009, agricultural enterprises received 76,5 million hryvnias support from the government, by 73,0 % less compared to 2008, After 2009, the size of budget support was gradually restored and in 2012 the amount of state aid has already reached 256,5 million hrn. If in 2008 more than half of the state support were subsidies from the budget, in 2012, their share amounted to 23,9 %, while 76,1 % of this aid was received by agricultural producers at the expense of the VAT.

In 2012, the state support for 1 ha of agricultural land in Vinnitsya region amounted 252,9 hrn. The maximum size of the state support of agricultural production per 1 ha of agricultural land had Mogilev-Podolsky – 2114,7 hrn., Litinsky – 819,5 hrn. and of 679,0 hrn. Zhmerynka districts. While in Gaysin, Illintsi, Nemirov, Tyvrov districts the size of the allowance was within 4-10 hrn. on 1 ha of agricultural land [3, p. 108].

**Table 3**

**State support of agricultural enterprises of the Vinnitsya region**

Indicators	2008	2009	2010	2011	2012	2012 до 2008, %
Public expenditure on support of agricultural producers - total, thousand hrn.	282993.9	76461.7	199916.2	68891.6	256490.0	90.6
including: at the expense of budget subsidies	158273.3	36140.3	95266.4	68079.6	61239.7	38.7
of them:						
- to support crop production	80025.2	6753.3	85365.8	64744.6	59459.6	74.3
- for the development of animal husbandry	34131.5	8874.5	6449.2	1044.3	1663.5	4.9
- other types (directions) of state support	44116.6	4379.2	3451.4	2290.7	116.6	0.3
due to the value added tax	124720.6	40321.4	104649.8	812.0	195250.3	156.6
Public expenditure on 1 ha agricultural lands - total, hrn.	295.8	79.8	209.2	71.5	252.9	85.5
Public expenditure on 1 farm - all, hrn.	546.3	153.5	4164.9	139.2	540.0	98.8

*Source: Main economic indicators of agricultural enterprises to 2012 (statistical Bulletin)*

Thus, we can note the lack of a unified approach for allocation of budget funds allocated for state support of agricultural production. This is due to the vagueness of the rules of support rendering and opacity of the mechanisms for allocation of funds, opening up possibilities for granting preferences to certain subjects of economic activity.

**Conclusions and perspectives of further research.** A study of the status and trends of agricultural enterprises of the Vinnitsya oblast demonstrates the positive shifts in their activity, in particular the size of cultivated areas of the basic agricultural products has increased, that influenced the increase of gross production, the share of profitable enterprises and the amount of the received profit. However, despite positive changes in the agrarian sphere of the studied area there are also negative - low profitability of agricultural production, in particular in the field of animal husbandry, still high level of loss from the sale of products, annual decrease in the number of employees in enterprises. Existing measures of state support to agricultural producers are not enough to improve their competitiveness.

Summing up the above, we can conclude that despite the achievements of individual positive economic results in agricultural production, a significant proportion of agricultural enterprises remains uncompetitive and unprofitable. That is why there is a necessity of creating organizational and economic environment for the efficient development of the agricultural sector on the basis of unity of economic, social and environmental interests of the society and for the needs not only in the qualitative and safe food and agricultural raw materials, as well as in public services non-marketed nature. Prospects for further research are to determine the efficiency of use of human capital of the enterprises of agriculture of Ukraine.

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### АНОТАЦІЯ

#### ***Найда І.С. Сучасний стан та тенденції економічного розвитку аграрних підприємств Вінницької області***

*Проаналізовано динаміку розвитку аграрних підприємств Вінницької області за сучасних умов господарювання. Визначено рівень державної підтримки та особливості розподілу цільових державних асигнувань на підтримку сільськогосподарського виробництва. Обґрунтовано ефективність розвитку аграрного сектора на основі єдності економічних, соціальних та екологічних інтересів суспільства, що сприятиме економічному зростанню аграрних підприємств, підвищенню конкурентоспроможності сільськогосподарської продукції, формуванню кваліфікованого людського капіталу та забезпеченню продовольчої безпеки.*

**Ключові слова:** *сільське господарство; валова продукція; урожайність; рентабельність; державна підтримка; конкурентоспроможність.*

### АНОТАЦИЯ

#### ***Найда И.С. Современное состояние и тенденции развития аграрных предприятий Винницкой области***

*Проанализирована динамика развития аграрных предприятий Винницкой области в современных условиях хозяйствования. Определен уровень государственной поддержки и особенности распределения целевых государственных ассигнований на поддержку сельскохозяйственного производства. Обоснована эффективность развития аграрного сектора на основе единства экономических, социальных и экологических интересов общества, что будет способствовать экономическому росту аграрных предприятий, повышению конкурентоспособности сельскохозяйственной продукции, формированию квалифицированного человеческого капитала, обеспечению продовольственной безопасности.*

**Ключевые слова:** *сельское хозяйство; валовая продукция; урожайность; рентабельность; государственная поддержка; конкурентоспособность.*