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ANALYSIS OF THE EFFICIENCY OF AGRICULTURAL ENTERPRISES IN THE CONDITIONS OF ECONOMIC TRANSFORMATIONS

The article considers the problems in rural areas, which are associated with the formation of agricultural enterprises based on private ownership of land and means of production, where the role of the owner is able to operate in a market with a positive result, which in turn stimulates farmers to entrepreneurial activity in the agricultural sphere, and in the long run - this is a prerequisite for rural development, in particular the formation of competition between agricultural producers, which will increase the efficiency of production.

Keywords: efficiency of activity, agricultural enterprises, available resources, economic transformations, interests of producers, agriculture, market, market relations, competition.

Formulation of the problem. An integral part of the organizational and economic mechanism of effective development of agricultural enterprises is the integrated development of rural areas. There is a close relationship between social, economic, demographic, environmental development of the village. The degree of development of rural areas is an important factor in the efficiency of the production sector, in particular agricultural enterprises. Only on the basis of understanding the interconnectedness and interdependence of all aspects of the rural way of life can reasonable proposals be developed to improve the efficiency of agricultural enterprises. And in modern conditions, when there are constant economic transformations, the activities of agricultural enterprises take the form of business units, the purpose of which is to maximize profits and meet consumer needs. Sectors of agriculture are of paramount importance for the entire national economy. Their economic purpose is to provide the population with food and industry with raw materials. In addition, agriculture, among all sectors of the economy, depends most on natural and climatic conditions and an important natural resource - land. Since land in the industry is the main factor in production, the alternative should be its rational use.

Current scientific researches and issues analysis. For the first time the theoretical substantiation of the role of entrepreneurial activity and organization of enterprises appeared in the works of physiocrats R. Cantillon (1755) and A. Turgot (1766), in which they drew attention to the willingness of owners in their activities to take risks and uncertainties [3]. Economist A. Martineli analyzes entrepreneurship more deeply, interpreting

it as an intermediary between markets or "gap-filled", which instantly uses new opportunities [4]. He notes that the vast majority of research on entrepreneurship focuses on its formation, but requires research and analysis of such important areas as business failure, the benefits of family business, the role of non-profit small businesses and more. Ethnic aspects of entrepreneurship were considered by American sociologists G. Aldrich and R. Waldinger [2]. Scientists have tried to take into account all the factors that can significantly affect the formation of entrepreneurship in ethnic communities. In his theories, the development of small business was considered by the French economist F. Bastiat. In particular, in the theory of "society of exchange of services" the author considers the functioning of small producers, confirms the law "service is exchanged for service" and argues that this law is true for both small and large production [3], in which we fully agree with him. The theory of classical economists to explain entrepreneurship can be similarly applied to agricultural producers.

Setting objectives. The purpose of our study is to substantiate the scientific and theoretical foundations and practical aspects of the effective functioning of agricultural enterprises, improving ways to improve their efficiency in the context of economic transformation at the regional level.

Presenting main material. The efficiency of agricultural production is formed differently for different regions. But the agro-industrial complex of the studied Lviv region unites both raw material production and the processing industry and service sector. But the dispersion of the industry throughout the region, different specialization, low land supply, limited resource potential - all these factors have a negative impact on ensuring the interests of rural producers at the regional level.

According to the Department of Agro-Industrial Development of the Lviv Regional State

Administration, Lviv ranked 4th among other regions of the country in terms of the rate of gross agricultural output in 2020, and 8th in terms of production. This is a fairly high rate of agricultural activity compared to other regions (Statistical collection, 2021). According to the statistical office, in 2020 about 280,000 households were involved in

agriculture, about 1,390 agricultural enterprises, of which 787 were farms. That is, these economic formations are engaged in the production of crop and livestock products, and specifically those that have agricultural land, as shown in Table 1, there are 869 units, i.e without households (Table 1)

Table 1

Distribution of enterprises in Lviv region by size of agricultural land, 2020 [1].

Index	Number of enterprises		Area of agricultural land	
	од.	fraction, %	thousands of hectares	fraction, %
Land area, total	869	100	385,5	100
to 50 hectares	449	51,7	7,6	2,0
50,1 – 100	123	14,2	8,9	2,3
100,1 – 500	174	20,0	40,9	10,6
500,1 – 1000	56	6,4	40,4	10,5
1000,1 – 2000	36	4,1	49,4	12,8
2000,1 – 3000	10	1,2	24,9	6,5
More than 3000	21	2,4	213,4	55,3

According to Table 1, enterprises with an area of up to 50 hectares account for 51.7% of their total number, but occupy only 2% of the total area of all lands in the region. And there are only 21 enterprises with an area of more than 3,000 hectares, and their

share of the total area is as high as 55.3%. It should be noted that the area of agricultural land in all categories of farms in the Lviv region, although not significantly, but decreases (Table 2).

Table 2

Area of agricultural lands of Lviv region, thousand hectares [1].

Index	2015 y.	2018 y.	2019 y.	2020 y.	2020 y. to 2018 y., %
Agricultural land, total	1261,5	1260,8	1240,0	1241,5	98,5
arable	794,1	793,4	770,9	772,6	97,4
hayfields	187,6	187,6	195,4	195,2	104,1
pastures	255,8	255,7	250,7	250,3	97,9
perennial plantings	23,2	23,4	22,8	23,2	99,1

The annual decrease in the area of agricultural land, including arable land, in agricultural enterprises and the growth of the corresponding area in households reflects the shortcomings of the agrarian reform mechanism, which negatively affected both the reduction of agricultural enterprises and the reduction of land area.

Of course, gross crop production can be obtained extensively. But not every business has the opportunity to constantly increase the area. This is not effective even from the point of view of the

limited resources. Therefore, companies resort to intensive methods of increasing production, namely: the introduction of high-yielding and frost-resistant varieties, agricultural techniques, mechanized tillage, the use of optimal application of organic and mineral fertilizers, plant protection products against pests and diseases and other methods. This approach to the intensification of agricultural production in the enterprises of the region allowed to increase the yield of almost all crops in the dynamics (Table 3).

Table 3

Gross production of major crops in farms of all categories of Lviv region [1].

Year	Cereals and legumes	Sugar beet	Sunflower	Potato	Vegetables	Fruit and berry crops
2010	6226	5295	2	12588	4119	901
2015	13663	5830	278	16225	4835	1067
2018	14400	6719	798	16982	5128	1375
2019	16437	6190	726	15728	7091	1226
2020	16074	7231	848	16011	8067	1405
2020 to 2018, %	111,6	107,6	106,3	94,3	157,3	102,2

Agricultural production increased in 2020 compared to 2018 in all categories of farms. This increase in value is not due to higher production, but to higher prices for agricultural products.

Due to the increase in productivity, gross production also increased, which had a positive effect on the final financial results of enterprises and became an incentive for further production process and its improvement (Table 4).

Table 4

Production of agricultural products in terms of farms in Lviv region at constant prices in 2016, UAH million [8].

Index	Pik				
	2015	2018	2019	2020	2020 до 2018, %
	Farms of all categories				
Agricultural products, total	20237	22819	23004	24007	105,2
crop products	13198	15522	15968	16938	109,1
livestock products	7039	7297	7036	7069	96,9
	Enterprises				
Agricultural products, total	8269	11103	11063	11872	106,9
crop products	6232	8405	8481	9115	108,4
livestock products	2037	2698	2583	2757	102,2
	Households				
Agricultural products, total	13198	11716	11941	12135	103,6
crop products	6966	7117	7487	7823	109,9
livestock products	5002	4599	4454	4312	93,8

It is important for each manufacturer not only to obtain high quantitative indicators, but also cost. After all, profit performs a number of functions that directly affect the future processes of economic formations. To continue to operate, attract investment, take loans, close production, restructure or merge - these are actions that depend on the profitability and liquidity of the enterprise.

The analysis of the efficiency of agricultural production gives grounds to claim that the reform of property relations in rural areas did not give the expected positive results, and the main components of the production potential of agricultural enterprises: land, fixed assets, labor resources were not rationally used. At the same time, there is intensive exploitation of leased land shares, their monocultural use, non-compliance with crop rotations, lack of measures to increase land fertility, protect them from erosion. And the consequence of these processes is: lack of increase in crop yields, low productivity of farm animals, low quality of products, sharp fluctuations in gross agricultural output, degradation of agricultural land.

It should be noted that a more favorable state pricing policy in recent years has made it possible to revive some farms for the production of poultry and pork. The state has introduced a procedure under which VAT remains at the disposal of agricultural producers. This had a positive effect on the growth of agricultural production in Lviv region.

Traditionally, agriculture has been given a passive, supporting role in the country's economic development. Much attention was paid to the growth of industry, and agriculture played the role of supplier of cheap food and labor. The transition to stabilizing production must begin with the agricultural sector, ie the countryside. And that is why it is advisable to consider as a single whole the growth of agricultural production and integrated development of rural areas. The functioning of various organizational structures in the field of agricultural production is the result of privatization of property and indicates the progress of agrarian reform in rural areas.

The strategic goal of the development of the agrarian economy of the region is the formation of a highly productive economic complex, which operates on the basis of balanced development and ensures an adequate standard of living of the rural population. An important place in the development of the economy and the change of proportions will be occupied by agricultural policy, which will result in the redistribution of resources in crop production, which will determine the specialization of administrative districts in the regional division of labor. Therefore, among the main factors of economic growth are the following:

- ✓ innovative - economic growth will occur due to active state agricultural and research and innovation policy, development

of modern innovation infrastructure, which is directly related to the further deepening of the integration of science and agricultural production;

✓ investment - increasing the profitability of agricultural enterprises will promote growth and investment attractiveness;

✓ environmental, which characterize the balance of economic, social and environmental interests by greening the processes of agricultural production and consumption, increasing the environmental component in macro indicators at the regional level.

Conclusions and perspectives of further research. To ensure the continuous functioning of agricultural enterprises of various forms of ownership, it is advisable to improve market infrastructure, ie in the region should operate:

✓ at the regional level - auctions, exhibitions and sales of agro-industrial products, fairs, stock and trade exchanges;

✓ at the district level - commercial, land banks, leasing, insurance companies, credit unions, a network of consulting and auditing firms, information centers.

Reforming economic relations is crucial for the socio-economic development of the village, its revival on a qualitatively new basis. Many conditions are needed to provide the population with food.

The main condition for successful business activity of agricultural producers is complete freedom in making decisions on specialization of the economy, pricing, sales channels, foreign economic activity and more.

An important area of state regulation of the economy is investment policy. Its characteristic feature in Ukraine is the reduction of the absolute volume of accumulation. In recent years, there has been a reduction in budget allocations as the main source of investment financing, accompanied by a decrease in the share of profits to expand reproduction in production.

Attracting foreign investors in the development of agricultural production and the agro-industrial complex in general remains relevant today.

Investing in foreign agricultural production will help solve the problem of rural unemployment caused by the economic crisis in rural areas. Attracting foreign investment in agricultural production is possible by: providing loans to form an accumulation fund; providing loans for the purchase of new equipment, new technological lines (directly for agricultural processing enterprises) and the purchase of fixed assets.

In the conditions of market economy formation, the objective necessity is the organization of rational use and protection of lands. To increase the economic efficiency of land use, their study, accounting and evaluation are important. These materials are contained in the state land cadastre, which provides information on the suitability of land for growing certain varieties of crops. State regulation of investment activity of agricultural production is carried out in order to implement such priority areas of investment policy as: development of production infrastructure; stimulating the production of food products that replace imported ones; creation of new jobs for rural residents.

We consider it necessary at the state level to take measures to stimulate credit institutions in the implementation of long-term lending to investment programs on favorable terms.

Among the main areas of improving the efficiency of agricultural production should be identified as follows:

- overcoming the disparity in prices for agricultural and industrial products. The state should participate in price regulation by influencing certain conditions of price formation through the financial and credit system, by subsidizing agricultural producers, using the mechanism to compensate for rising prices for certain means of production: direct state funding of individual agricultural units from national and local budgets (lines power transmission, Internet telephone exchanges, veterinary services, etc.); improvement of investment policy (special attention is needed in the field of logistics of agricultural enterprises); improving the taxation system of agricultural enterprises; improvement of leasing relations of agro-industrial enterprises; reduction of food imports; improving the lending system, in particular the development of mortgage lending.

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