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GRAIN CROPS PRODUCTION PROFITABILITY

Agriculture is one of the most important branches of national economy. It produces foodstuffs for consumers as well as raw materials for processing industry. That is why the urgent problem nowadays is solving the problem of further branch efficiency increasing.

Grain is the principal product of agriculture. Its gain and cost reduction is extremely important for national economy as it is the major condition for further improvement of people well-being [1, c. 377].

Grain crops make up more than 50% of all planted areas of agrarian enterprises. The mainline of grain production is concentrated in the Steppe and the Forest-Steppe Zones of the country. Approximately 50% of total grain volume in the country, more than 50% of winter wheat grain, 60% of corn, up to 40% of barley, more than 50% of millet and 100% of rice are grown in the Steppe [1, c. 381].

The *purpose* of the article is to consider theoretical bases of enterprise production profitability, its role in business activities. Grain Crops Production in Ukraine and present state of enterprise has been analyzed. Production indices and grain crops sales at specific enterprise have been calculated. On the basis of this research the ways to increase production profitability as well as principal branch perspectives have been determined.

For Ukraine the increasing of grain production volume as well as grain crops growing efficiency is the most important trend in development of agriculture [4].

The generalized indicator of agricultural production economic efficiency is the index of its profitability. Profitability means gaining profit by the enterprise being calculated by means of comparing gross profit or profit with costs [2].

Profitability serves to the following functions as:

- an appraisal index for efficient resources use by giving generalized assessment for enterprise operation in general;
- an index representing price appreciation of the total capital;
- a stimulus for workers to work effectively;
- a rate regulator for basic means increased reproduction [3].

For more detailed data analysis as for grain production the calculations of production indices as well as grain production realization at private enterprise "Communard" have been made.

Private enterprise "Communard" is the enterprise functioning on the basis of private ownership of one or several citizens.

The researched enterprise is engaged in plant growing and animal husbandry production. More detailed analysis needs using the production indices for the last 3 years.

Among grain and leguminous plants winter wheat and sunflower are the leading crops while there is the tendency in winter wheat decreasing in 2015 for 50,21% comparing with 2013; while sunflower production has grown, quite the contrary, from 3534,3 thousand hryvnas in 2013 up to 4348,8 thousand hryvnas in 2015.

According to calculations production profitability level and marketing of cereals last year were low at all types of products. The following ways to increase profitability as well as cereals marketing production have been proposed:

- to develop the output of commodities and services production and realization;
- to decrease the expenses per production output decreasing its cost price;
- to allocate reasonably profit having been obtained before to receive the optimal effect [6].

In conclusion it should be noted that taking into account the calculations and research having been conducted the following measures are proposed to increase both crop capacity and profitability index [5]:

- introducing high yielding sorts and hybrids
- conducting disease, pest and weed control
- improving the quality and increasing the realization price and others [1].

At the example of barley growing it was proposed to introduce new high-yield varieties “Vakula” and “Soborny” providing to increase yielding per 25%; introducing “Alfa Grow E” mineral fertilizer in optimal doses under barley enables to increase qualitative and quantitative harvesting indices per 10-20%; using highly effective protection plants means, in particular, “Efiron” herbicide.

On the basis of above given data and perspective growing regulatory costs for barley the calculations reflecting the results of costs planning and their impact on the full cost of production, profit received by the enterprise and the profitability of products.

Table

Resulting indices for perspective valuation costs when barley growing

Indices	Project
Acreage, hectares	387,33
Production cocts for products growing, thousand, gryvnias	3453,12
Yield, hundredweight/hectar	47,45
Gross harvesting, hundredweight	18378,81
Marketability level,%	95,00
Sold, hundredweight	17459,87
Manufacturing cost of 1 hundredweight , gryvnias .	72,77
Total cost of 1 hundredweight (selling expences per 10% of manufacturing cost), gryvnias .	80,05
Selling price per 1 hundredweight, gryvnias	450,00
Sales revenue, thousand gryvnias	7856,94
Total cost of sales, thousand gryvnias	1397,61
Income from sales, thousand gryvnias	6459,33
Prifitability of products, %	82,21

Analyzing the table data it can be seen, that at crop capacity 47,45 hundredweight/hectare enterprise can get 18378,81 hundredweights of barley, that is per 44,7% more than last year. Selling 95% of croppage at the price of 450gryvnias receipts will make up 7,85 mln UAH. Taking into account 1,39 mln UAH of total cost for products sold profit from barley selling equals to 6459,33 thousand gryvnias. The profitability of products has been defined as equal to 82,21%, namely from 1 gryvnia of total cost after recovering costs enterprise will get 0,82 gryvnias profit.

All in all, appropriate introducing of considered arrangements complex will enable to increase grain production to needed quantity, decrease production costs, increase production quality and, as a result, increase realization price allowing the enterprise to increase its profit. These arrangements may positively impact grain crops production and improve its level.

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