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**FORMATION AND EFFICIENCY OF FUNCTIONING
AGROHOLDINGS**

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INTRODUCTION

Actuality of theme. The development of competitive agro-industrial production in the conditions of market relations requires fundamentally new approaches to the organization of its management, aimed at increasing efficiency to the European level. First of all, this is connected with the need to introduce mechanisms for its resource, technological and organizational renewal, attract investments, protect the interests of domestic producers, settle inter-industry disparities, eliminate intermediary influence, build a closed cycle of production, processing and sale of products, access to foreign markets product and capital markets, implementation of innovations and development of infrastructure. At this stage, the active development of agricultural holdings is conditioned by this.

The current state of development of the economy of the agro-industrial complex poses special challenges to agricultural holdings. Along with restoring the resource potential, ensuring the coordinated activity of their structural divisions, developing investments, and introducing innovations, it is necessary to focus attention on the formation of mutually beneficial relations between the subjects of integration processes, the avoidance of social tension and the establishment of partnership relations between agricultural holdings and the territories within which they conduct their activities .

The creation of agricultural holdings is a model for the development of the agrarian sector of the economy, which ensures expanded reproduction by attracting investments, introducing innovations, forming a competitive agro-industrial complex, which is characterized by the following criteria: the production of high-quality products capable of satisfying food security and realizing the country's export potential; introduction of scientific and technical achievements and effective use of resource potential; development of agricultural market infrastructure; rational use of land; implementation of energy-saving technologies; achieving effective functioning of business and raising the social standards of life of working people, improvement of rural areas and implementation of social programs.

The development of the agricultural economy should be closely related to the development of rural areas. In this connection, there is a need for an in-depth study of the institutional support for the development of these processes and the prospects of their impact on the economy of the agrarian sector and the social development of rural areas.

Theoretical and methodological aspects of the development of integration processes are highlighted in the works of: I. Ansoff, M. Benoit, M. Bradley, P. Coulomb, K. Marks, and others. A significant contribution to the study of this issue was made by V.G. Andriychuk, V.I. Boyko, P.I. Hayuduky, S. M. Kvasha, P.K. Kanynskiy, M.Yu. Kodenska, I.G. Kirylenko, M.F. Kropyvko, I.I. Lukinov, Yu.O. Lupenko, M.Y. Malik, P.M. Makarenko, V.Ya. Mesel-Veseliak, Yu.O. Nesterchuk, P.T. Sabluk, O.H. Shpykulyak, M.M. Fedorov et al. A significant contribution to the development of economic relations at the intra-economic level belongs to such domestic scientists as M.V. Gladiy, O.V. Krysalnyi, M.I. Pugachev, H.M. Podlisetskiy, V.P. Sytnyk, A.M. Stelmashchuk, S.O. Yushin et al. The theoretical and practical foundations of production management were reflected in the works of foreign management scientists and practitioners: D. McGregor, F. Taylor, A. Fayol et al. Socio-economic problems of development and adaptation of integration processes, related to social and labor relations, settlement of land relations are highlighted in the writings of S.I. Banduri, A.L. Balandy, O.A. Bugutskoho, V.M. Geitsa, I.K. Bystryakova, V.S. Diesperova, E.M. Libanova, O.M. Onishchenko, N.S. Palia, I.V. Prokopy, V.M. Petyuha, V.V. Yurchyshyn

Accumulated certain theoretical and methodological material in the field of development of integration processes can serve as a basis for conducting research in this direction. However, the insufficient justification of the theoretical and methodological foundations of the formation of agricultural holdings, the unsatisfactory state of development of the agricultural sector of the economy, the need to implement effective forms of production organization require an in-depth study of the institutional foundations of methodological and methodical support for the formation and development of agricultural holdings and the development of mechanisms for their effective activity. The great importance for the national economy of the problems of the formation of the development of agricultural holdings and their insufficient study determined the choice of the topic of the dissertation research, the goal, the task and the structural construction of the work.

Connection of work with scientific programs, plans, topics. The dissertation was completed in accordance with the programs and plans of fundamental and applied scientific research works of the National Research Center "Institute of Agrarian Economy" as a component of the topic: "Develop scientific and methodological principles for ensuring the extended reproduction of agricultural production in market-type economic formations" (state registration number 0110U002927) , within which the acquirer worked out the concept of formation and theoretical and methodological principles of the formation and functioning

of agricultural holdings and their influence on the development of socio-economic processes, identified problematic issues of the creation and functioning of agricultural holdings, in particular, ensuring the coordinated activity of structural units, the formation of mutually beneficial relations between the subjects of integration processes and the relevant legal framework.

The theoretical and practical principles of improving the efficiency of land resources were studied in the context of the topic: "Develop scientific and methodological principles for the development of land relations and increase the efficiency of the use of agricultural land in market conditions of management" (state registration number 0106U006644) and "Develop theoretical and methodological principles for the market transformation of land relations and the efficiency of agricultural land use" (state registration number 0111U001304), within which the acquirer justified the methodological approaches to the classification of integrated structures, highlighted the role of agricultural holdings in increasing the efficiency of agricultural production, determined the main motives for their creation, revealed the features of the development of agro-industrial integration at the current stage, the essence of integration processes in agriculture and the historical stages of their development.

The purpose and objectives of the study. The purpose of the dissertation research is to substantiate the theoretical and methodological foundations of the formation of agricultural holdings and to develop practical recommendations for their effective functioning through the prism of organizational, economic and social factors of the development of agro-industrial production.

Achieving the set goal made it necessary to solve the following tasks:

- ❖ deepen the theoretical foundations of the development of integration processes in agriculture;
- ❖ to substantiate the theoretical-methodological and organizational-economic principles of the formation and development of agricultural holdings;
- ❖ to reveal the prerequisites for the formation and regularities of the creation and development of agricultural holdings;
- ❖ to assess the scope and efficiency of agricultural holdings;
- ❖ to determine the strategic vectors of improving the efficiency of land use in conditions of integrated production;
- ❖ to develop methodological bases for the development of budgeting and methodical approaches to the management of production and economic activities of agricultural holdings;
- ❖ to reveal the specifics of the mechanisms for building a budgeting system in agricultural holdings;
- ❖ summarize modern theoretical aspects of the organization of work on personnel management in agricultural holdings and develop proposals for their improvement;
- ❖ to determine socio-economic problems of the development of rural areas and socio-psychological aspects of the perception of agricultural holdings.

The object of research there are processes of formation and functioning of agricultural holdings in the agricultural sector of the economy. *The subject of research* is a set of theoretical and methodological foundations of the formation and functioning of agricultural holdings, organizational and economic relations and phenomena, practical issues of integration processes.

Research methods. The methodological basis of the dissertation research is the dialectical method of learning economic phenomena and the position of economic theory with consideration of problems in the historical and economic aspect. The following methods were used in the research process: abstract-logical (theoretical generalizations and formation of conclusions), statistical and economic (analysis of the current state of development of agricultural holdings, property transformation processes), monographic (monitoring of economic activity of agricultural holdings), sociological (questionnaire among employees and specialists of integrated structures), index method - for rating evaluation of the efficiency of agricultural holdings; calculation-constructive and comparison (comparing the activities of agricultural holdings), correlation-regression (establishing the influence of individual factors on increasing the efficiency of the use of production resources, the formation of land massifs, to determine the influence of factors on the resulting characteristic), other general used statistical methods.

The main sources of information were relevant regulatory and legal documents, official materials of the State Statistics Service of Ukraine, the State Agency of Land Resources of Ukraine, the Ministry of Agrarian Policy and Food of Ukraine, data from annual reports of agricultural enterprises, selective monographic surveys of agricultural enterprises, special literary sources, etc.

Scientific novelty of the obtained results consists in substantiating the theoretical-methodological and organizational-economic foundations of the formation and development of agricultural holdings in the agrarian sector of the economy. The main provisions constituting scientific novelty are:

for the first time:

- the development of integration processes in agro-industrial production is summarized and systematized, which will ensure the implementation of the best experience of agricultural holdings in the practice of increasing the efficiency of agricultural production, the introduction of modern technologies and mechanisms for attracting investments, the organization of intra-farm relations, the construction of a system of budgeting, motivation and management of production processes in crop production and animal husbandry;

- the theoretical and methodological principles of the formation of agricultural holdings, the organizational, economic, structural and legal stages of their creation, options for optimizing the agro-industrial chain, which will allow developing agro-industrial production on a new resource, technological and organizational basis, are substantiated;

- the methodological bases of the development of budgeting and methodical approaches to the management of production and economic activities in agricultural holdings have been worked out, which will make it possible to improve intra-economic relations in conditions of integrated production based on clear control of profits and costs of the entire production and financial process;

- developed and implemented system mechanisms for organizing budgeting, rationing and planning of production processes in the structural units of agricultural holdings and their centralization at the level of the management company, which will ensure: a comprehensive solution to the problems of consolidating large arrays of diverse information; effective control over the use of material, technical and financial resources; formation of effective management of production processes at all levels of production management; modeling of possible options for business development and development of strategies and tactics on this basis;

- the participation of agricultural holdings in the development of rural areas, aimed at raising the social standards of life of villagers, restoring infrastructure and improving the improvement of villages, is substantiated, which will ensure the normalization of production and social relations between agricultural holdings and the territories within which they operate, and will contribute to increasing the motivation and prestige of work in agro-industrial sector of the economy;

improved: the content of the concept of "agroholding", which consists in the ownership by the parent company of the assets of other companies and their management, taking into account the entire cycle of production, processing and sale of products, which is characterized by a purposeful reproduction of the industry on a new technological, organizational and economic basis;

- an organizational mechanism for the formation of mutually beneficial relations between the subjects of integration processes by creating a structure in the agricultural holding, such as a sociological laboratory, which will be responsible for the implementation of internal and external social projects and will allow to relieve tension in solving social issues between the company's management and the population of rural areas;

received further development:

- directions for increasing the efficiency of land use in conditions of integrated production through the introduction of precision farming technologies, synergy of economic processes, closed production cycle; mechanisms for attracting investments by pledging land rights;

- substantiation of the economic benefits of the development of integration structures, based on the synergy of relationships between various spheres of the economy in order to ensure expanded reproduction in agro-industrial production on a new resource, technological and organizational basis;

- the directions of organizing personnel training and their motivation in the conditions of integrated production in order to increase labor productivity through the implementation of programs aimed at the development of corporate solidarity of employees and increasing the level of their social security.

Practical significance of the obtained results. The conclusions and proposals contained in the dissertation are of great practical importance for the improvement of integration processes in agro-industrial production. Recommendations proposed by the dissertation on increasing the competitiveness of the agro-industrial complex and its resource provision in matters of technical renewal and modernization of production, creation of a favorable investment climate, formation of effective management of production processes and the introduction of innovations, balancing intra-economic relations between subjects of integration processes and modeling possible options for business development and development of strategies and tactics of action on this basis,

Proposals regarding: directions of agrarian policy regarding the further development of integration processes in matters of organization of building intra-economic relations were considered and accepted for implementation; methods of choosing integration models, directions for the implementation of social and economic programs and a set of measures aimed at the development of territories within which agricultural

holdings conduct production; establishment of public control over the effective use of land (reference of the Main Department of Agriculture and Food of the Lubarsk District State Administration No. 487/1 dated September 20, 2011).

Methodical approaches to the principles of building intra-economic relations in terms of: management, regulation, planning, development of the labor payment system and budgeting of production processes, developed in the dissertation, were tested in real economic conditions, including in the process of creation and operation of the Nibulon JV LLC, LLC "A.T.K." (certificate No. 327 dated 09/29/2011 and certificate No. 459 dated 08/25/2011).

Personal contribution of the acquirer. All scientific results presented in the dissertation were obtained by the author personally. From scientific works published in co-authorship, ideas, provisions and conclusions are used in the dissertation, which are the result of the author's personal work and constitute his individual contribution.

Approbation of the results of the dissertation. In the course of the dissertation research, the intermediate and final results of the work were approved by publicizing them at international, all-Ukrainian, and foreign scientific and practical conferences, namely: the fourth scientific and practical conference of young scientists "Formation of the strategy for the development of the regional agricultural industry" (Zhytomyr, 2008.); Eleventh annual meeting of the All-Ukrainian Congress of Agricultural Economists (Kyiv, 2009); regional annual meetings of the All-Ukrainian Congress of Agrarian Economists "Transformation of Land Relations to Market Conditions" (Zhytomyr, 2009); The twelfth annual meeting of the All-Ukrainian Congress of Agrarian Economists "Organizational and Economic Transformations in Agricultural Production" (Kyiv, 2010); the second international scientific and practical conference of young scientists "Productive forces and food security of the country" (Kyiv, 2010); the eighth international scientific and practical conference of young scientists, graduate students and students "Actual problems of the financial system of Ukraine" (Cherkasy, 2011); of the seventh scientific and practical conference of students, postgraduates and young scientists "Science. Young. Ecology-2011" (Zhytomyr, 2011); the seventh interfaculty scientific and practical conference of young scientists "Formation of the strategy for the development of the agrarian sector of the region" (Zhytomyr, 2011); the international scientific and practical conference "Information and analytical provision of balanced development of agriculture and the countryside" (Lviv, 2011); the third international scientific and practical conference "Marketing support of the food market of Ukraine" (Poltava, 2011); the eleventh All-Ukrainian scientific and practical conference "Statistical assessment of socio-economic development" (Khmelnitskyi, 2011); international scientific and practical conference "Economy: current state and development priorities" (Simferopol, 2011); international scientific and practical conference "Actual problems of the development of regional agriculture" (Lutsk, 2011); All-Ukrainian scientific and practical conference "The role of science in increasing the technological level and efficiency of the agricultural industry of Ukraine" (Ternopil, 2011); the first All-Ukrainian scientific and practical conference "Management of the 21st century: financial, economic and innovative aspects" (Kyiv, 2011); the fifth international scientific and practical conference "Aspects of stable economic development in the conditions of market relations" (Uman, 2011); the third international scientific and practical conference of young scientists "Formation of economic conditions for the development of rural areas" (Kyiv, 2011); the fifth All-Ukrainian scientific and practical conference of young scientists "Ecological problems of agricultural production" (Yaremne, 2011); At the Thirteenth Annual Meeting of the All-Ukrainian Congress of Agrarian Economists, "Institutional Basis of Transformations in the Agrarian Sphere" (Kyiv, 2011).

Publications. According to the results of the dissertation research, the author has published 49 scientific works with a total volume of 39.28 U.D.A., including 4 monographs, one of which is an individual work, 24 articles in scientific specialized publications; 18 abstracts of speeches at scientific and practical conferences, 3 publications in other publications.

The structure and scope of the dissertation. The dissertation consists of an introduction, five chapters, conclusions, appendices, and a list of used sources. The list of used literature includes 370 titles on 36 pages. The full volume of the dissertation is 451 pages, the volume of the main part is 387 pages. The thesis contains 48 tables on 15 pages, 46 figures on 18 pages, 7 appendices on 26 pages.

CHAPTER 1

**THEORETICAL AND METHODOLOGICAL ASPECTS OF THE FORMATION OF
INTEGRATED STRUCTURES IN THE AGRICULTURAL SECTOR OF THE
ECONOMY**

1.1. The essence of integration processes in agriculture and historical stages of their development

In the scientific literature, there are different approaches to the interpretation of integration processes. "In the general sense, integration means the unification of previously isolated parts into a single whole" [170]. "According to some authors, integration should be understood as "the process of combining various subsystems to organize or bring some separate parts into a single whole" [170].

"The concept of "integration" in economic theory is interpreted in a rather broad sense and comes from the Latin *integratio* - restoration, filling and *integrum* - whole. Different types of integration are distinguished - economic, political, social, systemic, etc. Economic integration is an objective process caused by the development of productive forces, one of the directions of increasing the size of enterprises, expanding their connections with industries and enterprises that complete technological processes in the production of final products" [31].

The term "integration" combines economic phenomena and processes consisting in interaction, rapprochement, combination, coordination of activities, and sometimes - unification of various business structures aimed at increasing the economic efficiency of their management.

In the context of modern agrarian transformations, an important place belongs to agro-industrial integration. Yes, V.G. Andriychuk interprets agro-industrial integration as "an organizational combination of agricultural and technologically related industrial production with the aim of obtaining final products from agricultural raw materials and achieving greater economic benefits due to the mutual material interest and responsibility of all participants in agro-industrial production for the final results of management" [11, C.402]. A similar approach to the definition of agro-industrial integration takes place in V.M. Yatsenko, who considers it as "a process of combining the interests of agricultural and industrial enterprises aimed at obtaining high final results of their joint activities" [358]. I.M. Burobkin and E.A. Popov believes that that "agro-industrial integration is a process of economic, organizational and social interaction, convergence of structural links of social production linked by a single production cycle" [36]. "Other researchers interpret agro-industrial integration as "a complex process of direct combination of interrelated stages of production, division and cooperation of labor" [351, p.109].

In the works of M.D. Babenka, "agro-industrial integration" is considered as "convergence and combination of the branches of agriculture and industry, which ensures an organic synthesis of the indicated spheres of material production and their unity. It envisages the development of production and economic ties between branches and enterprises of the agro-industrial complex, which are technologically connected and oriented to the production of final products from agricultural raw materials" [18].

According to the definition of A.V. Burkovskaya, agro-industrial integration should be understood as "a form of organization of production and management that accelerates the delivery of agricultural products to the final consumer, promotes the establishment of long-term and stable relations between agro-industrial complex enterprises and increases the efficiency of their functioning" [35, p.22].

Yu.O. Nesterchuk notes that "agro-industrial integration allows participants to compensate for existing market shortcomings by creating internal capital, common infrastructure, improving the quality of the group of information used by participants, reducing transaction costs, improving the quality of management, and lobbying for common interests" [205, p.19].

According to M.L. Ushvytskyi, "the methodological foundations of the formation and functioning of agro-industrial integration are reduced to three key theses: this is the form of association or the systemic state of certain participants in agro-industrial production; the process of strengthening production ties and economic relations, unification of individual production participants, including agro-industrial as a whole; these are mechanisms or methods by means of which the participants of agro-industrial production are united into a single production and economic mechanism" [319].

The development of agro-industrial integration at the current stage is due to the need to strengthen the competitiveness of domestic production, "the development of productive forces, the acceleration of scientific and technical progress and the deepening of cooperation between enterprises in various fields of activity. Integration is aimed at combining the economic interests of its participants, maximizing the use of raw materials and production capacities, and increasing the production of finished products. The effectiveness of integration processes is characterized by the closeness and perfection of economic and organizational- technological connections between individual enterprises and branches of various spheres

of employment" [62].

Based on comparison with other interpretations, we consider it expedient to characterize agro-industrial integration as an evolutionary mechanism for the development of economic forms, which is based on profit maximization through the use of a synergistic effect when combining separate parts of a single production process.

"The concept of the development of agro-industrial integration is based on new principles, the leading place among which is given to the marketing orientation of the development of the firm, coordination of investment programs, timely adjustment of management mechanisms and economic relations" [18, 360].

Effective is the union of agricultural and processing enterprises and trade organizations, which creates a closed cycle and includes the production of agricultural products, their processing and sale. It is on such principles of integration that the functioning of the agricultural holding is based [210].

According to the studies of domestic and foreign authors, agro-industrial integration makes it possible to increase efficiency and maneuverability in the use of financial, production-technical, personnel, management resources, to simplify the process of coordinating the directions of interaction of agricultural producers, processors and trading enterprises, to strengthen the competitiveness of production, to combine the interests of its participants, to work out their economic relations in order to obtain appropriate benefits, to ensure proper responsibility for the results of joint activities, to create conditions for expanded reproduction of production, to increase the material well-being of employees, to solve socio-economic issues [18, 62, 276, 192].

The advantages of integration for agricultural enterprises are the possibility of: purposeful development focused on the final result - profit; growth of business activity; development and implementation of promising programs based on diversification of production; timely settlement with creditors, suppliers, contractors, employees; centralized provision of material and technical resources; improvement of the existing material and technical base; favorable conditions for the sale of products; expansion of sales markets or creation of own sales network.

According to P.T. Sabluka, "cooperation and integration will contribute to increasing the profitability of all participants in the process of production, processing and sale of agricultural products, as well as involved investments in the agrarian sphere and restoring the potential of the agricultural sector" [267, p.10].

This definition follows from the fact that the terms "integration" and "cooperation" are similar in meaning, as they represent the process of combining or bringing together various elements into a single whole. At the same time, under cooperation, production connections of enterprises of related industries for joint production of the final product are considered. Depending on the principles of organization and functioning, it is customary to distinguish the following types of cooperation: industry (intra-industry, inter-industry and multi-industry) and territorial (intra-regional, inter-regional, intra-state and inter-state) [282, p.7].

However, the usual cooperative ties are not able to ensure long-term relationships between the branches of production and the spheres of the economy. This is due to the fact that such connections are not always aimed at increasing profitability and interest in achieving the final result, they only affect the convergence of industries and spheres in solving general production and intra-economic problems. In this connection, among the reasons that indicate the absence of mutually beneficial and equal economic relations in the agro-industrial complex, the lack of connections that would contribute to the development of economic interest are highlighted in the economic literature [282, p.9].

Integration, in contrast to cooperation, is intended not only to ensure the convergence of economic entities in order to solve urgent socio-economic issues, but also to ensure the creation of an economically dependent association with mutually beneficial, stable connections between all its participants. It should be noted that integration structures satisfy the interests of all members of such an association and are a guarantor of their protection in the formation of external relations.

The main problem in the formation and functioning of integration structures, at this stage of development, is the lack of an appropriate legal framework and legislative definition of their organizational and legal forms, which complicates the implementation of management processes at various integration levels and causes certain difficulties in the performance of financial and settlement operations.

The development of integration processes in the conditions of a market economy is conditioned by the need to increase the level of competitiveness and reduce production costs. Modern integration processes taking place in agriculture develop in the conditions of the formation of market relations, the functioning of various forms of ownership of land and property, and the relative independence of economic entities from the state. When creating integrated formations, preference is given to the economic component, which is reflected in such indicators as profit, profitability, etc.

Depending on the nature of the association, three types of integration processes are distinguished - horizontal, vertical and diversification [210]. "Depending on the direction of integration processes, three types of integration associations are possible - horizontal, vertical and conglomerate. Production,

financial and credit, educational and advisory and social horizontal integrations are distinguished" [18].

"Foreign researchers distinguish between property integration, contractual, quasi-vertical and circular" [319].

"Integration of ownership is the extension of ownership rights to two or more stages of production and sale of food products, in which the integrator acquires ownership of part of the assets of the integrated companies" [319].

"Contractual integration assumes that the integrator concludes long-term contracts with producers or primary dealers who purchase agricultural products directly from the producer. Contractual integration is most common in the production of fresh and canned vegetables, sugar beets, livestock meat and poultry" [320, 20].

"In the economic literature, such a type of integration as quasi-vertical is also distinguished. With it, integrated production and sales of products are carried out by independent enterprises and a sales network, but under the control of the leading company" [319].

"Circular integration has developed in foreign countries. This especially applies to the grain industry, where elevators are combined with flour mills and feedmills, are engaged in the production of cereals, various types of food products and various types of premixes" [22].

"Horizontal integration involves the unification of enterprises, organizations based on common business interests, taking into account production specialization in the production of the same type of products based on the similarity of technology and the implementation of a common sales strategy" [120]. We agree with the studies of Prylipko, who believed that "this is happening with the aim of deepening the division of labor, specialization of production on a narrower range of products, which makes it possible to reduce costs per unit of production due to the expansion of cultivated areas and the use of advanced technologies. This mechanism works in the formation of raw material zones for the cultivation of grain, technical and vegetable crops to meet the needs of processing plants; cultivation of seed material and fodder to meet the needs of commodity farms" [235-237].

"Vertical integration involves the unification of enterprises of interconnected and adjacent industries, with centralized management of the main processes of production and circulation of products and the formation of a closed production cycle on this basis. At the same time, they distinguish "downward" integration, which occurs when an enterprise engaged in the production of main or final products acquires control over the raw material base, and "upward" integration, which is carried out in order to acquire control over the following technological cycles. A distinction is made between production, marketing and complex vertical integration" [170]. Agro-industrial integration involves the combination of all links of the agro-industrial chain into a single whole, in particular: producers, processors, enterprises for storing products, transport intermediaries, trade, etc.

We adhere to the research of P. N. Makarenko, L. L. Melnyk, and A. M. Karpenko and believe that "vertical integration also includes regional and economic agro-industrial formations (associations) that have acquired an organizational structure in the form of agro-firms, agro-combinations, associations, corporations and other contractual associations. The advantage of the association is: functioning in a single economic space, according to a single economic plan, concentrating all cash receipts in a single financial and settlement center of the enterprise. This makes it possible to balance the redistribution of financial resources between structural units, to bring intra-economic relations in line with the uniform rules of the game and to establish an equivalent exchange between structural units, to reduce the influence of force majeure circumstances on the formation of the results of economic activity" [170].

Conglomerate integration is formed on the basis of the union of enterprises that are not related to each other by industry characteristics, as a rule, this happens in cases of the appearance of temporarily free financial resources. It contributes to the diversification of production, is characterized by increased sensitivity and the ability to respond in a timely manner to changes in the market environment. At the same time, it is characterized by a complex financial and control system of accounting for production costs for the production and sale of products. Conglomerate integration makes it possible to reduce financial risks in the future through the acquisition of liquid assets. Its weak point is the control of business processes, which is caused mainly by the lack of necessary experience in this field. "Conglomerate integration is distinguished by a wide variety of forms and methods of production organization and can be divided into three classes: a) productive association of the conglomerate type - if we are talking about the association of producers of various products; b) conglomerate-type market unification, when companies producing the same products, but operating in distant markets, are involved in the integration process; c) conglomerate-type merger, when companies that have nothing in common in production are merged" [339].

Each of these forms of integration has both advantages and disadvantages. In particular, the advantages of vertical integration are the establishment of production and technological connections, the sale of products through regional channels, the neutralization of the negative impact of market factors (demand,

supply, price of raw materials, etc.). Disadvantages include territorial dispersion. Vertical integration ensures better implementation of management decisions due to the use of highly specialized assets. At the same time, horizontal integration allows you to achieve savings by reducing costs and using the scale of production. The advantages of horizontal integrated structures are the ability to apply the effect of scale, which allows you to significantly reduce production costs, improve the management mechanism, and modernize production. However, usually integrated structures of this type are created for a short period of time. Unconditional advantages of horizontal and vertical integration are the synergistic effect that conglomerate integration does not provide. Instead, the main goal of conglomerate integration is to increase the financial performance of the association.

In the economic literature, the following forms of integration are distinguished: "full, contractual, joint-stock, cooperative, partnership and public". "The whole is based on the concentration of ownership of the means of production in the same hands. Contractual is based on the property of legal entities, the main mechanism of relations between partners is a contract (agreement). Joint-stock formation carries out integrative relationships between participants in accordance with their capital, which is determined by the number of shares. Cooperative integration is based on the creation of cooperatives of the appropriate direction: production, processing, service provision, trade, etc. In partnership integration, the basis is an oral agreement or a concluded contractual agreement, in public integration, forms of informal public association prevail" [252].

It is worth classifying agro-industrial formations according to:

- the form of organization: cooperatives, associations, corporations;
- the principle of production organization: territorial, sectoral, territorial-sectoral;
- the method of creating a management apparatus: on the basis of the management of the main company, on the basis of specially created structures;
- the degree of unification of the activities of the enterprises included in the integrated structure;
- type and totality of activities;
- territorial placement: district, inter-district, regional, regional, national, transnational;
- by the degree of legal independence: legally independent, with limited independence;
- by nature of activity: production, production and sales [36].

In order to develop agro-industrial integration and form integrated holding-type structures on its basis, it is necessary to ensure:

- the development of a sociological research methodology, the results of which are required for local conditions in the formation of an agricultural holding, including for determining the correct system of motivational factors for the entry of peasants into newly created structures; implementation of an information company on stimulating the creation of agricultural holdings and carrying out explanatory work among the masses of the population in order to popularize this organizational and legal form of management;
- formation of state support mechanisms for agricultural production;
- improvement of mechanisms of consolidation of companies;
- creation of a typical organizational structure of farms and a management company;
- preparation of typical business plans for the development of farms;
- working out the interaction of agricultural holdings with financial institutions;
- development of a system of support by agricultural holdings for the development of rural areas [292].

The further development of productive forces in the country, ensuring the food security of the state, and the further socio-economic development of the Ukrainian countryside depend on the final solution to the problem of forming optimal organizational and legal forms of management. This is recognized by both supporters of the creation of integrated holding-type structures and their opponents. Since only history can give an objective assessment, without researching the historical past regarding the transformation of organizational and legal forms of business, we cannot hope for a balanced decision. Moreover, in the past of our society, this problem was repeatedly raised and resolved ambiguously.

At the current stage, one of the main tasks for Ukraine in the implementation of agrarian transformations is the use of scientific, practical, management assets and historical experience of previous periods to avoid mistakes in the implementation of modern radical changes.

Over the centuries, the process of society's development took place through the improvement of social formations thanks to the improvement of tools, the development of productive forces, and changes in forms of ownership. Thus, the development of productive forces contributed to the transformation of the slave system into a feudal system, which was replaced by a capitalist one, which ensured a better social status of a person, the development of entrepreneurial activity, and an improvement in the standard of living of society. At the same time, the division of society into rich and poor contributed to the birth of socialist ideology based on the socialization of property, the establishment of equality for all in the production and distribution of material goods [239].

Among the first agrarian transformations in Ukrainian agriculture is the reform of Sigismund-Augustus (1552–1557), which provided for the replacement of rent by manor.

The next agrarian reform took place in 1861, when serfdom was abolished. As a result of its

implementation, the large landlord economy was finally separated from the peasant economy. Peasants were given the opportunity to develop their own economy, but, in general, the results of the reform for agriculture were unfavorable

- a lot of land remained with the landowners. For twenty years after the reform, the period of "stagnation" continued. Noticeable progress was made with the organization of the Land Bank in 1882, through which loans were made to peasants in the case of their purchase of landlord lands [298].

Agro-industrial cooperation and integration of production and processing in agriculture, as an effective means of production, was implemented even during the command-administrative system. The formation of agrarian associations in Ukraine began in the 20s of the 20th century, which took place in the form of the creation of agrarian-industrial combines, which provided for the unification of the production cycle on the basis of automation and mechanization of production processes. Such associations included peasant farms, cooperative enterprises, industrial and financial credit institutions, produced and processed their products, provided themselves with equipment and were engaged in the sale of products. "By 1930, more than 300 such formations were created, which included sugar, flax and cotton factories.

The total land area of the mentioned associations was from 100 to 300 thousand hectares.

In the 1960s, after the adoption of programs for the accelerated development of agriculture, powerful inter-farm enterprises and associations were created, which functioned on the basis of agro-industrial cooperation and integration, using the advantages of concentration and specialization of production. Thus, in 1978, 258 agro-industrial enterprises and 45 associations operated in Ukraine, the basis of the economic mechanism of which was the specialization and concentration of production on the basis of inter-farm cooperation and agro-industrial integration [36]. Agricultural enterprises included those economic formations in which at least 25% of the products of one of the branches of their specialization were processed.

The high economic efficiency of integrated systems during this period was due to the intensification and industrialization of agricultural industries based on the complex mechanization of production, chemical treatment and land reclamation, the introduction of the latest technologies, the deepening of specialization and concentration of production, which made it possible to reduce costs per unit of production and increase the economic efficiency of management, since the growth of their gross output was 20–22%, compared to other enterprises.

The processes of cooperation and integration took place on technological grounds. Agrochemical centers serving cooperatives and state farms were created. According to the calculation, one agrochemical center accounted for 30–35 thousand hectares of agricultural land. Reclamation stations for maintenance of irrigated and drained lands were formed within the region. There were fodder factories, enterprises for processing and storage of agricultural products for the same region [358].

These measures gave a significant impetus to the creation of large specialized enterprises and their associations for the industrial high-tech production of agricultural products. In specialized enterprises, labor costs were 2 times lower, the cost of production - by 20–30%, and feed costs per unit of production were one and a half times lower [50], crop yields increased, and socio-economic conditions of farms were equalized. If in 1975 (before the creation of the named associations) the yield of winter wheat was 30.4 tons/ha, in 1976 it was 33.2 tons/ha, and in 1977 on a much larger area it was 39.2 tons /Ha. This made it possible to accelerate the processes of concentration of animal fattening at large industrial-type enterprises and, due to this, to increase its economic efficiency [59].

In the 1980s, most agro-industrial enterprises were transformed into agro-firms and agro-combinations, the production of which was based on zero waste and bringing products to the final consumer, covering the entire cycle: production, storage, processing and sale of products, which distinguished them from agro-industrial enterprises and strengthened competitiveness. However, the basis of the relationship between such enterprises was not the basic value indicators for raw materials or the mechanisms of distribution of results for final products, but the volumes of production, delivery times and product quality. As a result, the production of gross agricultural products in agro-firms exceeded the average level of collective farms of Ukraine based on a unit of agricultural land by 67.9%, per average annual worker employed in agriculture - by 24.9%, gross income - by 32.4%, profit - by 54.8%. At the same time, the share of workers of industrial divisions in agricultural firms was 18.1%, in collective farms - 6.6% [257].

At the beginning of the 1990s, agricultural combines cultivated more than 2.1 million hectares of land, while the production of gross products per 100 hectares of agricultural land exceeded the weighted average of collective farms by 6.6 thousand rubles. The management of their activities became a symbiosis of the combination of the principles of production and economic independence of structural units, both owners and centralized management within the framework of agreements (statutes) [257].

In terms of organization and structure, the associations were independent legal units that carried out their relations with farms based on the principles of cooperation and economic settlement. These associations provided complex mechanization of production processes according to scientifically based technological maps and work schedules. Their responsibilities included the development of measures for the rational use

of machines, the application of industrial technologies, progressive methods of labor organization (at that time, these were mechanized squads that were reformed according to technological post-operational principles of work performance), improving the qualifications of mechanics and specialists. They were entrusted with the responsibility for increasing production and increasing its economic efficiency.

In the 90s of the 20th century, with the transition to market relations, the lands of agricultural enterprises were unsold, property was divided between their employees and pensioners from among them, the processes of breaking up inter-industry ties, breaking up large collective farms and forming new ones based on them intensified agricultural formations, with their subsequent integration into holding-type associations.

At the first stages of denationalization and restructuring of enterprises, important importance was attached to the development of farms and cooperatives. The cooperative form of agro-industrial integration, through the creation of processing enterprises by farms, has become widespread in many countries of the world. In particular, in Japan - 80%, EU countries - 60%, USA - 30% of agricultural products are processed and sold through cooperatives. This allows for a fair distribution of profits between commodity producers and processing enterprises (in proportion to the volume of products delivered) and to expand the range of services and innovations aimed at satisfying the interests and needs of farms (consulting, conducting breeding business, providing material and technical resources of industrial origin).

However, the idea of cooperative agro-industrial integration in the conditions of Ukraine did not spread significantly, since the newly created cooperatives did not differ in any way from collective agricultural enterprises. In the absence of proper logistical and financial support from the state, farms could not become a dominant producer of products and concentrated production on a limited range of products. By 2000, the processing industry was largely privatized by industrial and banking capital, which, under the conditions of the initial accumulation of capital, was not interested in redistributing profits in favor of agriculture.

The development of auxiliary processing industries in agricultural enterprises, which could not withstand the competitive struggle with processing enterprises, did not justify itself, and their work to ensure their own internal needs due to small volumes did not cover costs.

"Property reform without the simultaneous creation of a favorable external environment for commodity producers in providing them with production resources, equivalent to the exchange between branches of the national economy, in state regulation of the tax and financial and credit systems, which would ensure the possibility of economic self-sufficiency, was not resolved during the implementation of the reforms. As a result, the volume of production of raw materials decreased sharply, which led to a significant decline in the production of processing industries, and the existing integration ties with these industries were broken. Under such conditions, the manufacturer was unable to reimburse even the production costs" [237].

The reorganization of collective enterprises led to the division of large economic formations into smaller ones in terms of land and property size. In the conditions of lack of access to cheap credit resources, significant price disparity, and lack of barriers to imported goods, small enterprises could not ensure efficient and profitable production.

The priority privatization of the enterprises of the "A" group and the banking sector caused a situation when these two sectors began to work according to market principles, and the protracted nature of reforms in agriculture actually left the sector within the framework of the "command-administrative" system. The result of this was the laundering of agricultural funds in favor of these areas through the mechanism of "price scissors", high bank interest rates, lobbying of the interests of foreign capital to import into the territory of Ukraine such strategic products as meat, sugar, potatoes, hops, which until then Ukraine exported. As a result, by the beginning of 1999, most of the enterprises went bankrupt, the volume of production of raw materials for the processing industry decreased significantly, and strategic industries such as hops, flax growing, potato growing, and animal husbandry declined. At the same time, the debts of agricultural producers to banking structures increased, which, in turn, could not repay the borrowed foreign loans. Therefore, the majority of domestic banks were absorbed by foreign financial structures.

All over the world there were trends towards an increase in demand for food products, the undervalued property and land in agriculture became investment-attractive for potential investors who, under the conditions of a growing market, tried to profitably invest funds in an asset that guaranteed significant capital growth in the future. To a large extent, this was facilitated by the reform of forms of ownership, an information campaign to lift the moratorium on the purchase and sale of agricultural land, and the formation of share capital.

Agricultural production turns from unprofitable to profitable. Thus, if in the period 1996–1999 agricultural enterprises received losses in the amount of UAH 12.3 billion, then in 2000–2003 they received an average of UAH 0.5 billion in profit per year [292].

"Agrarian potential, the genesis of property and organizational and legal forms during 1994–2000 contributed to the creation of new viable formations that were more in line with a certain development of social relations and humanity as a whole" [210]. "So, the transformation of state and collective ownership

into private and joint ownership, under modern conditions, became one of the main motives for the formation of agro-industrial associations in agriculture" [237].

In this period, inter-industry disparities were reflected, which were largely caused by a significant price disparity between municipal products and material and technical resources of industrial origin. To a large extent, this was facilitated by the liberalization of prices and the departure from their formation on a planned basis.

However, property reform without the simultaneous creation of a favorable economic environment for commodity producers and equivalent exchange between branches of the national economy is one of the reasons that led to the crisis state of the economy of agricultural enterprises of various forms of ownership and contributed to the formation of large commodity enterprises.

"Integration within one farm is most often carried out on the basis of the most effective structural unit." At the same time, mutually beneficial economic relations are formed between intra-economic structures, which contribute to strengthening competitiveness. "However, it should be recognized that the organization of intra-farm processing of agricultural raw materials has disadvantages: insufficient depth of processing, quite significant losses of valuable components of raw materials, relatively low quality and a narrow range of final products" [18].

We agree with the opinion of O.V. Prilipka that ".....the source for creating effective mechanisms for the integration of production and processing of agricultural products on the basis of equivalent exchange is the regulation of technological cost indicators of integration on a normative basis and the redistribution of income between them from the sale of final products" [236]. At the same time, we believe that in the absence of proper financing of the industry, the scale effect and the accumulation of synergistic effects on this basis will play a decisive role in the development of the agricultural economy. For the development of agro-industrial integration in households, the proposal of V.G. Andriychuk, who proposes "to create cooperatives for the processing of agricultural raw materials, organizing a processing enterprise on partnership terms as a non-profit formation, and the revenue after reimbursement of processing costs is distributed in proportion to the invested capital and the volume of deliveries, taking into account the quality of the products. At the same time, the distribution between the participants of the integration of production and processing of agricultural products is based on the cash proceeds from the sale of products, in accordance with the predetermined ratio of the share participation of each of the participants of agro-industrial production in the creation of these products" [11-15].

V. M. Geits, V. P. Seminozhenko, and B. S. Kvasnyuk believe that "the basis of distribution should be production (marketing, sales) costs per unit of final products" [51]. "At the same time Prilipka O.V. believes that it is practically impossible to control the authenticity of all the costs of the processing enterprise by the participants of the integration, and therefore it is beneficial for the processing enterprise, since the fee to the suppliers of raw materials will decrease. In this case, it is practically impossible to settle equivalent relations" [236]. He believes that "the system of achieving equivalent exchange, which is carried out on the basis of establishing the specific weight (share) of raw materials in the final product and on this basis, determining the price of the goods manufacturer's products, has turned out to be the most effective, but on the condition that this share of the costs of raw materials is not determined by actual cost, which has developed at the producer, and according to the normative, calculated, increased by the average profitability ratio of the processing enterprise. According to the same methodology of regulatory costs, the cost price and the price of production (the cost price is increased by the average rate of return) of the processing enterprise are formed" [235-237].

"After agreeing on the level of expenses, the partners enter into an agreement based on the purchase price of raw materials. With such a methodological approach, each participant of the integrated system seeks to reduce their costs against those determined in their favor and can have a higher income per unit of production. "There are a lot of reserves for reducing costs both at the producer of raw materials and at the processing enterprise - due to the improvement of technological and organizational factors, which makes it possible to reduce the labor intensity of production, the energy intensity of processing products and thereby increase their incomes." "The only criterion of any integrated system is that the establishment of an equivalent exchange (price parity) between integration partners must be carried out at the expense of internal price regulation,

The history of the development of economic forms confirms the thesis that large-scale production, thanks to its efficiency, existed at all historical stages of the development of society and with all social formations. Over the centuries, it was transformed into other forms under the influence of a change in the social order, or a change in the form of ownership. However, the typical features of integrated structures, such as: specialization, automation, concentration, diversification and a closed cycle of production adapted to dynamic changes in the external environment and were reborn in a new quality. This process continues, starting from the lord's filvarks and thrifts of the times of Tsarist Russia and ending with agricultural

combines and agro-firms of the former Soviet Union and agroholdings in the conditions of independent Ukraine. Usually,

"Economic relations between subjects of integration processes should be built on the principle of establishing price parity, which would make it possible to reimburse the normative costs of the producer of raw materials, increased by an equivalent coefficient of profitability of the processing enterprise" [237].

One of the prerequisites for the formation of agroholdings in agriculture was the completion of the process of privatization of the basic industries: oil and gas, electric power, industrial enterprises of group "A" and the need to invest the capital earned there in promising areas of business.

"Among the factors that form mutually beneficial economic relations between producers of goods and processing, service industries, trade and other structures, the leading place belongs to integration processes. In the field of economic science, the theoretical foundations of this or that phenomenon are the result of a scientific generalization of the mechanisms of action of the economic laws of economic practice and its perception" [237].

1.2. Methodological approaches to the classification of integrated structures

"The search for effective forms of business organization is one of the main problems of world economic development" [234]. "In foreign practice, various types of integration structures have developed, which differ depending on the goals of cooperation, the nature of economic relations between participants, and the degree of independence. These are associations, concerns, consortia, syndicates, corporations, agricultural holdings, industrial and financial groups, pools, etc. [234]. The most common forms of integrated agro-industrial structures in agro-industrial production are agroholdings. In a general sense, integrated structures are defined as "an association of business entities based on an organizational structure that fully or partially combined tangible and intangible assets for the purpose of technological or economic integration for the implementation of investment or other projects based on effective interaction" [282, p. 7].

In general, integration structures can be classified: according to the form of ownership - state, collective, private; by form of business - open and closed joint-stock companies, concerns, consortia, associations, financial and industrial groups; by industry composition - industrial, financial-industrial, agro-industrial, financial-agro-industrial; according to the closedness of the technological cycle - all stages of production of the final product, individual stages of the production process; by market volume - transnational, national, regional, local; according to the degree of production diversification - diversified, non-diversified [112].

The legislation of Ukraine defines four types of economic integration associations: associations, corporations, consortia and concerns [18]. Development of integration processes under current conditions requires expansion of this list and legislative regulation of new agro-industrial associations, such as: agricultural holdings, agro-industrial financial groups, previously unknown in the practice of domestic enterprises.

Association - a voluntary association of legal entities and individuals on a non-profit basis with the aim of legal protection of the interests of its members, their representation in state and legislative bodies, development and coordination of a general strategy of behavior on the market. Unlike a concern and a corporation, it differs by a low degree of centralization, and from a consortium by the breadth of spheres of activity of the enterprises and organizations that are part of it. "Management in the association can be carried out both by a specially created body and by the main legal entity in agreement with its members." "At the same time, the established management body of the association mostly becomes an informative and coordinating center. Members of the association retain their legal independence and may combine their activities in it with participation in other associations and economic associations" [283].

M.M. Ermoshenko, M.N. Skvortsov, N.T. Nazimov, the main functions of the association include the coordination of the economic activities of its members without the right to interfere in their economic and commercial activities [116].

The association is not responsible for the obligations of its members, and the members of the association bear subsidiary responsibility for its obligations. Associations are the predominant form of agro-industrial integration in most countries of Western Europe. The commercial interest in joining the association is based on the income that is additionally obtained here from the expansion of the assortment, improvement of quality and profitable sales of finished products. "The main requirement for the mechanism of regulation of production and economic relations between the members of the association is that it should be formed according to the principle of equal profitability for all its members" [18].

The given formulations in the definition of the association show that the researchers comprehensively characterize this agrarian organizational structure and its formation, which makes it

possible to find in the practical activities of the association's partners exactly those levers that satisfy their needs to the greatest extent.

L.M. Hryshchenko, Y.S. Zavadsky among the defining functions of the association single out a form of business cooperation aimed at finding potential partners among domestic and foreign firms for direct contacts between them with the aim of developing new forms of foreign economic relations, developing relevant projects, providing practical assistance in matters of management, monetary and financial, contractual and legal, as well as advertising and sales of products [119].

Members of the association have the right to be members of any other associations. Associations and unions can acquire the status of a self-regulatory organization. The composition of the association apparatus is based on the membership fees of the participants. The rights and obligations of the members of the associations are established by the founding documents, in which it may be stipulated that the relevant association provides services to its members on the basis of free contracts, since the participation of various members of the association in its activities and the need of individual members for management and other services can be different. The order of provision, volume, frequency and other parameters of consumer services may also be different for different participants. Association members have the right to use association services free of charge (to receive consulting, marketing, management, legal and other services,

Associations belong to one of the mildest forms of associations that minimally restrict the actions of its members. The advantage of associations is that the legislation gives its founders the freedom to choose the organizational structure of the association, to regulate the mutual rights and obligations of participants.

The creation of common financial funds or pooling of capital is not envisaged. There is an opportunity for voluntary pooling of financial resources to achieve common goals of an economic, industrial and social nature.

Associations have the right to lobby for common interests in the government and legislative bodies, to hold congresses, symposiums, conferences, advertising companies, product exhibitions (collective stands) at large industry exhibitions, including international ones, and possible support of educational institutions.

The entry of enterprises into the association makes it possible to:

- ❖ expand sales markets, improve the company's image, increase competitiveness;
- ❖ participate in the implementation of joint programs, projects for training personnel in new management methods;
- ❖ optimize costs (by using best practices and new technologies, using methodical recommendations for cost calculation, saving on consulting and information costs);
- ❖ receive financial assistance from members of the association.

Concerns are less common compared to associations. An agro-industrial concern is created on the basis of voluntary centralization of the functions of production and scientific and technical development, as well as their financial and foreign economic activities, which includes enterprises of agriculture, industry, transport, trade, scientific and other organizations [18].

Concerns is a statutory association of sectoral and more often cross-sectoral enterprises on the basis of complete financial dependence on a single center and implementation of a single policy in common interests by all its participants. It is characterized by a centralized organizational structure with tight connections among its members, who coordinately carry out the main activities. Therefore, the concern can prohibit its members from participating in the work of other concerns, with the exception of associations, by founding documents. A rigid system of connections allows the members of the concern to agree on additional property responsibility for the obligations of the association as a whole" [328, 29].

"The concern is a single production and economic complex, the members of which are closely connected technologically and cooperatively. This is a strict form of integration of companies. In its majority, the concern is an association of a production nature, within which production and financial decisions are centralized. The main company of the concern is most often organized in the form of a holding company or based on the interaction of dominant and dependent companies. In a concern, enterprises nominally remain independent legal entities in the form of joint-stock or other economic companies, but in fact they are subordinate to a single economic manager" [328, 29].

M.M. Ermoshenko, N.T. Skvortsov consider the concern as "one of the forms of monopolies, the union of several industrial, financial and trade enterprises, which formally retain legal independence, but in fact its members are subject to the financial control and leadership of the dominant group of entrepreneurs in the union" [116].

L.M. Hryshchenko, Y.S. Zavadskyi refers to the association of enterprises that "carry out joint activities on the basis of a voluntary centralized function of scientific, technical and industrial development, investment, financial, environmental protection, foreign economic and other activities" [115].

In our opinion, the advantages of concerns should include: reliability of supply of raw materials, semi-finished products, component products at reasonable prices; cost savings due to specialization; creation of favorable conditions for the concentration of financial resources on strategic areas of development; implementing a unified advertising policy, increasing market share. In comparison of the concern with completely merged enterprises, its advantages lie in the fact that the implementation of a single economic policy is combined with the preservation of operational and economic independence of the management of subsidiary enterprises, and therefore with their greater interest in commercial results.

Consortia belong to the same organizational form as concerns. However, the consortium is created to implement certain large target scientific and technical, construction, nature protection and other programs.

Consortia- "these are temporary statutory associations of industrial and banking capital, without a high degree of centralization and coordination of management for the implementation of large projects, after the implementation of which they are liquidated or transformed into other types of associations. Consortia, like associations, are more characterized by coordination than by subsidiary relations of the participants and guarantee full economic and legal independence of the participants with the exception of that part of their activity that is related to the achievement of the goals of the consortium; the consortium may be legally registered as a joint-stock or other type of business partnership; as a rule, consortium members do not form any organizational structures, there may be a small apparatus (for example, the board of directors of the consortium). There are open and closed types of consortia.

In general, a consortium is a potentially effective organizational and structural method of temporary integration of personnel, capacities, material and financial resources for the purpose of implementing capital-intensive projects.

Corporation— a contractual association with the delegation of certain powers of centralized regulation of the activities of each of its participants for the consolidation of the production and economic activities of enterprises, coordination of efforts in solving complex technical, financial, socio-economic problems, ensuring the protection of common interests, cooperation in the production of products, etc. . The members of the corporation retain the rights of a legal entity, full financial independence and industrial and economic independence, and have the right to return delegated powers in accordance with the founding documents. The activities of the corporation are based on the following principles: voluntariness, equality, self-financing, transparency and completeness of information. The goals and directions of activity, as well as the powers of the corporation as a whole and its center are determined by the founding agreement. At the same time, dual functions are defined: production and commercial activity and management of the affairs of the corporation within the limits of the powers granted to it. Participants are not responsible for the obligations of corporations, and the corporation is not responsible for the obligations of its participants, unless otherwise provided by the founding documents [328, 112].

M.M. Ermoshenko, M.T. Skvortsov define a corporation as "a contractual association created on the basis of a combination of industrial, scientific and commercial interests with the delegation of separate powers of centralized regulation of the activities of each of the participants" [116].

"Trusts are the most rigid form of enterprise integration. The enterprises included in their composition are united into a single production complex and lose their legal, production and commercial independence, and the management of their activities is carried out from a single center. The profit of the trust is distributed according to the equity participation of individual enterprises. The trust unites all areas of economic activity of enterprises. At the same time, enterprises begin to specialize in one or more homogeneous types of products or services and lose their legal, economic, production and commercial independence and are subordinated to one main company that manages the production and distribution of products. As a rule, the trust is created for the organization of combined production" [328].

"Among the integration formations, there are syndicates, which are an association of homogeneous industrial enterprises and are created for the purpose of selling products through a general sales network, which has the form of a trading company (joint-stock company, limited liability company, etc.), with which each a member of the syndicate concludes a contract for the sale of products. The syndicate form is most common in industries with mass homogeneous production" [116].

The advantages of syndicates include:

- ❖ preservation of legal and industrial independence by syndicate participants;
- ❖ elimination of internal competition among its participants;
- ❖ reduction of supply and sales costs;
- ❖ centralization of product sales;
- ❖ organization of sales of products of its participants through a single sales body;
 - ❖ it is possible for the members of the syndicate to maintain their own sales network, which is closely connected with the syndicated sales company;
 - ❖ procurement of raw materials for members of the syndicate through a marketing company.

In order to ensure the financial stability of enterprises, pools are created. A pool should be

understood as a voluntary contractual form of association of entrepreneurs, most common in the field of services: trade, exchange, patent, insurance, transport, etc.

Pool(English pool common cauldron) – "a form of association of companies, which differs in that the profit of all pool participants goes to the common fund and is then distributed among them according to a predetermined proportion. Pools belong to business associations established by contracts of a simple partnership" [328].

"Unification of companies in the form of pools is usually quite temporary in nature. Profits and expenses are formed and distributed based on predetermined rules. In the contract of a simple partnership on the organization of the pool, the rules for the distribution of general expenses and profit between its participants should be established" [328]. An important importance in the development of agricultural production should belong to financial and agro-industrial groups (FAPG), which allow to establish relationships between enterprises, banks, insurance companies and other participants of the group.

Financial and agro-industrial group- "this is a set of legal entities acting as the main and subsidiary companies or companies that have fully or partially combined their tangible and intangible assets (participation system) on the basis of an agreement on the creation of a financial and industrial group for the purpose of technological or economic integration for the implementation investment and other projects and programs aimed at increasing competitiveness and expansion of sales markets for goods and services, increasing production efficiency, and creating new jobs. The main principles of FAPG formation: voluntary participation of agro-industrial organizations in the group; compliance with antimonopoly legislation; the obligation to record individual persons who are part of the union of structures" [119].

The central role in the functioning of FAPG belongs to the management company, which performs the following functions:

- ❖ develops a program for the development of the entire group and its individual divisions and a credit policy aimed at issuing promissory notes, providing loans, etc.;
- ❖ supervises the implementation of financial and investment plans.
- ❖ The main advantages of financial and agro-industrial groups:
- ❖ technological or economic integration for the implementation of investment and other projects and programs;
- ❖ reduction of price premiums for products that pass through the technological chain between participating enterprises;
- ❖ increasing competitiveness and expansion of sales markets for goods and services;
- ❖ increasing production efficiency, creating new jobs;
- ❖ accumulation of temporarily free funds with the help of investment and other projects and programs.

Strategic alliance - "it is an agreement on the cooperation of two or more independent firms in order to implement strategic tasks, thanks to the synergy of the combined and complementary strategic resources of the companies. These are agreements on cooperation between firms that go beyond ordinary transactions, but do not lead to a merger of companies" [283].

The main advantages of alliances:

- ❖ the fastest and cheapest way to implement a global strategy;
- ❖ ensuring the preservation of the identity of each of the participants;
- ❖ companies can be participants in many strategic alliances;
- ❖ are created for a certain period and disintegrate when the need for unification ceases.

Holding- "this is a vertically integrated association of legal entities connected to each other by relations of economic subordination (as a rule, implemented through ownership relations). Due to such subordination, the entire structure is managed as a whole, but at the same time it is possible to ensure the relative independence of its individual elements, which is necessary for the economically efficient operation of the system" [213].

At the same time, the holding is a kind of regulated micro-market, within which commodity-money relations are maintained under a regulated system of internal transfer pricing. The fact is that all enterprises of the holding structure, while remaining independent, carry out their economic activities under the control of the parent company. Thus, specific holding economic relations are formed.

The creation of holding structures has some advantages. Without losing their legal independence, the structures that are part of the holding get access to modern technologies, increase competitiveness, synergistic effect, access to new product sales markets.

"The holding is formed due to the purchase or acquisition of a share in the authorized capital of the enterprises that are part of it. It is characterized by strict centralized management, represents a single integrated system, which is one of the most effective tools in increasing the efficiency of agricultural enterprises" [18].

A holding company is created to own controlling stakes in other companies in order to control and manage their activities, as a rule, in the form of a joint-stock company or a limited liability company. At the same time, the availability of production facilities is far from always observed. There is a distinction

between a pure holding company, which performs only control and management functions, and a mixed one, which, unlike the first one, is engaged in entrepreneurial activities: industrial, trade, credit and financial.

In general, it should be noted that there is no single definition of a holding company in domestic and foreign economic and reference literature. In particular, the Oxford Economic Dictionary defines a holding company as "a company created to own the shares of other companies it controls" [370]. A rather similar definition is given in the Russian encyclopedic dictionary, which states that "a holding company is a joint-stock company that uses its capital to acquire controlling stakes in other companies in order to establish control over them" [261].

According to the definition of V.V. Goncharova, "a holding company is a special type of financial company that is created to own controlling stakes in other companies and manage their activities" [57].

OHM. Kravchenko notes that "a holding should be understood as a structured organization of legal entities, one of which (the parent company) has the ability to influence the decisions of other members of the holding (subsidiaries)" [147]. The definition of I.S. is quite close in essence. Shytkina, who understands a holding company in a broad sense as "an aggregate of two or more commercial organizations, one of which is the main company, and the rest are subsidiary or dependent companies." A holding company in the narrow sense, according to the author, is "the main company that makes decisions about the activities of subsidiaries and dependent companies" [344].

This is the approach of I.S. Shytkin's definition of holding is quite consistent with the definition given by Thomas Keller. In particular, he notes that "a holding company should be understood as an enterprise whose main field of activity is its long-term participation in one or more production-independent enterprises, highlighting the concept of holding in a broad sense as "a company that performs function of financing and management", and in a narrow sense - "as a company that manages subsidiaries and dependent enterprises" [133].

Domestic scientists consider holdings as "intensification of investment and innovation activities aimed at preserving progressive structural changes, technical renewal of production, introduction of the latest technologies and new equipment, which is a particularly urgent task of effective owners in the post-privatization period and causes a change in the demand for labor in aspects of its structure and qualification composition, which leads, on the one hand, to a decrease in the need for labor due to the increase in labor productivity, and on the other hand, to an increase in employment and the need for workers due to an increase in production volumes" [252, p. 28–30].

In the Law of Ukraine "On Holding Companies in Ukraine" No. 3528-IV dated March 15, 2006, holding companies are defined as "joint-stock companies that own, use and dispose of holding corporate packages of shares (parts, shares) of two or more corporate enterprises." According to Article 2 of this law, the legislation of Ukraine on holding companies is regulated by the Civil Code of Ukraine, the Economic Code of Ukraine, the Law of Ukraine "On Business Partnerships", other laws and regulatory acts regulating the activities of holding companies [244].

According to the Economic Code of Ukraine, "a holding company is a public joint-stock company that owns, uses, and disposes of holding corporate shares (shares) of two or more corporate enterprises (except state-owned shares).

Holding-type companies have gained significant popularity abroad, as they allow for centralized business management. With their help, the central company not only manages a package of shares, but actually subordinates formally independent companies to itself and gets the opportunity to appoint its people to management positions.

The main advantages of holdings are:— implementation of the scale of used resources (production funds, investment means, labor resources);

- minimization of intermediary influence on production processes;
- centralization and increasing the efficiency of the use of capital due to the agreed financial, investment and credit policy depending on the market situation;
- reducing business risks and increasing the competitiveness of structural divisions by creating a closed production cycle;
- forming the image of a large and influential organization.

Cluster is an association of enterprises, suppliers of equipment, components, specialized production and service services, research and educational organizations, connected by relations of territorial proximity and functional dependence in the sphere of production and sale of goods and services. The cluster combines competition, specialization and cooperation, ensures effective interaction of all participants aimed at optimizing the conditions of joint development and maximizing the synergistic effect. The mechanism of building a cluster ensures the improvement of management methods and special knowledge through the exchange of experience, the possibility of entering international markets, the implementation of subcontracting mechanisms, the reduction of costs at various stages of production; formation of various options for associations (unification in a holding, union, alliance, technology park or their combinations)

[283].

A detailed analysis of possible options and features of forms of integration of enterprises, with an analysis of their characteristics, features, legal status, features of integration of spheres of activity and advantages and disadvantages is given in table 1.1.

Table 1.1

Comparative analysis of the integration of economic spheres activities depending on the form of association of companies

Association	Areas of activity				
	production	marketing	finances	accounting	planning
Concern	+	+	+	+	+
Conglomerate	-	-	+	+	+
Holding	+	+	+	+	+
Consortium	-	-	-	-	+
Syndicate	-	+	-	-	+
Association	-	-	-	-	-
Trust	+	+	+	+	+

Source: author's calculations based on [215].

In addition to the specified types of integration associations, other modifications of the association of enterprises and institutions are widely used in the world market economy. They proved the high economic efficiency of their activities. Therefore, with the development and deepening of market transformations in our country, their spread in the practical activities of domestic enterprises is quite possible.

It should be noted that the structural and organizational aspect, which is based on [282, p. 12], is of great importance in coordinating the interests of the participants of integration structures:

- determining the type of organizational structure: with "hard" centralization (holdings), with "soft" centralization (FPG), decentralized (unions, associations), mixed (cooperatives);
- organizations of inter-branch connections: single-branch or multi-branch structures. As a rule, multi-industry integration structures are focused on the production of a large segment of products intended for domestic and foreign markets;
- determining the scale of production and economic activity: regional, inter-branch, transnational.

1.3. Methodological foundations of the formation and functioning of agricultural holdings

The concentration of capital in agricultural production in the form of the creation of integrated structures occurs under the influence of objective economic factors that are characteristic of both the Ukrainian economy and the world economy and are determined by the processes of its globalization.

All industrially developed countries of the world in the 1950s and 1970s. passed the period of stormy activity of non-agricultural companies regarding investments in agriculture. As a rule, they coincided with periods of agrarian crises, during which farms experienced financial difficulties, and the land lost its value, so it was economically profitable to invest in agriculture. Also, the active investment period in agriculture took place against the background of economic growth in other sectors of the economy after the implementation of agrarian reforms aimed at the industrialization of agricultural production. The main motives were: underestimation of land as the most important factor of production in agriculture (stagnation in the land market is caused by the poverty of the producers themselves, the absence of land legislation, that regulates land circulation); and on the other hand, it is an opportunity for investors to purchase assets that will bring income in the future at low costs [339].

In the agricultural economy of Ukraine, the initiators of the creation of holding companies are mainly industrial enterprises. The synergistic effect created as a result of the union allows to improve the economy of agricultural enterprises, to ensure the resolution of social issues, and to create new jobs.

In terms of content, domestic agricultural holding companies are far from the classical understanding of holding. There are property, contractual, unitary and mixed holding companies. Property involves the partial or full inclusion of the ownership of structural subdivisions in the charter fund of the management company that has a dominant share in the holding's capital. In contractual - relations between structural units are regulated by a contract that ensures maximum economic and legal independence of structural units, unitary (state) units are formed thanks to the inclusion of shares of state-owned enterprises in the main company, as a rule, with the aim of solving social and economic issues of state importance. The mixed type involves the unification of three previous forms [251].

Typical classification features of holding companies: composition of participants; ownership; the depth of relations between the participants and the integrator in the process of production activity; the limit of economic and legal independence of the subjects of the integrated structure.

According to quantitative indicators, holdings can be classified depending on the amount of consolidated capital, the volume of production activity, the number of group members, the average number of employees, the number of spheres (branches of activity) [282].

Holdings are classified: depending on the center of formation - into industrial, banking, agrarian; depending on the organizational structure - into vertical, horizontal, conglomerate; depending on territorial activity - regional, interregional, transnational; depending on the size of the production activity - for small, medium, large; depending on the method of internal construction - with a soft form, with a hard form.

There are different approaches to defining agricultural holdings. In general terms, an agricultural holding should be understood as a full or partial pooling of enterprise capitals on mutually beneficial terms on a contractual basis [210].

We believe that, in general, an agricultural holding is an association of agricultural enterprises that differ in size and organizational and legal form, aimed at maximizing the economic effect. The perspective of their further development is the strengthening of the processes of globalization and unification in order to protect their own business interests both in the domestic and foreign markets, through the formation of an agrarian lobby, agricultural unions, and transnational associations.

Agricultural holdings include non-agricultural companies that trade in agricultural products, companies that supply resources, and companies that independently organize the production of agricultural products. We adhere to the position of Goguli O.P. and we believe that the main motives for the creation of agricultural holdings are: the restoration of inter-industry relations by combining the production, storage and processing of agricultural raw materials and the sale of finished products; reduction of the tax burden; reduction of product losses during its passage along the technological chain; increasing the degree of processing of agricultural products and their quality; deepening the specialization of farms; reduction of risk and uncertainty under competitive conditions; stimulation of capital investment of processing enterprises in the production of agricultural raw materials [54].

In general, when justifying the feasibility of creating an agricultural holding, the specifics of production technologies should be taken into account; the level of financial stability of all potential participants; measure of mutual importance of enterprises.

The main principles of creating different models of agroholdings: voluntariness, comprehensiveness, integrity, adaptability, favorable external environment, support from management bodies [210]; voluntary choice of partners and economic expediency, which allow to optimize the

composition of the agricultural holding; integration "from below", that is, unification at the initiative of the business entities themselves without pressure from management structures; the influence of the state on the integration process only by creating economic conditions that ensure its effectiveness, or on the basis of the participation of a state body as an equal partner of the association; organizational integrity of the agricultural holding with a single strategy and tactics, development goals and objectives; selection of the leading link and priority areas of improvement of the agricultural holding; equal economic conditions for all integration participants; unification of not only organizational and economic structures, but also their capitals; the team is not property management, which increases the interest and responsibility of each partner; involvement in the process of integration of trade capital, which ensures the receipt of investments [18, 322]. We join the opinion of the team of authors, in particular, Hitskov I., Mitina N. and Fomina O., who believe that the most effective in terms of organization and management is the management structure built on the principle that the central company owns a controlling stake in enterprises and organizations included in it. The concentration of ownership according to the holding principle allows combining the assets necessary for production and forming a closed technological cycle of production.

We adhere to the position of V.A. Semenov [275], and we believe that one of the main features of the development of modern agricultural holdings, in our opinion, is the direction of formation "from the top down", and not from the "bottom up", as it happens in developed European countries. This situation leads to the rapid and simplified formation of agricultural holdings and the emergence and development of negative social and psychological phenomena. There are other approaches to determining the direction of agricultural holdings. In particular, according to V.V. Gubanov, the orientation "from top to bottom" occurs by the decision of the authorities, "from the bottom up" - by the initiative of the participants. At the same time, if the initiator of the creation of an integrated structure is the state, then the priority is to solve the tasks of ensuring food security, reproduction of agricultural production and solving social issues [62].

Modern agricultural holdings make it possible to accumulate financial, material, energy and labor resources, which provides favorable conditions for the implementation of investment projects, improvement of relationships between all participants of the integration process, increases interest in the results of management and directs their activities to maximize the final result, in connection with which an active process of their formation and development is observed.

We share the position of the authors regarding the fact that the economic essence of the functioning of agricultural holdings lies not only in the consolidation of economic entities [62], but also in some limitation of the monopoly of processing industrial enterprises, support of agricultural commodity producers [276], restoration of lost production links [160], improving the socio-economic performance indicators of all participants due to the synergistic effect of integration. We support the opinion of T.V. Tarelkina [303] regarding the fact that it is possible to obtain a synergistic effect only under the condition of full interaction between the participants, which is primarily aimed at achieving the general goal of the agricultural holding - making a profit.

A defining feature of agricultural holdings is a complex system of production-financial inter-industry relations that has developed between participants. This problem can be solved by developing a mechanism for coordinating the interests of the participants of the agricultural holding, which should be based on the essence and purpose of integration. The development of such a mechanism is conditioned by the need to solve a number of economic, structural-organizational, functional and social-psychological issues.

The main goal of the implementation of the structural and organizational aspect of coordinating the interests of the participants of the agricultural holding is to restore the broken inter-industry ties between economically connected economic entities, industries and spheres.

In addition to the structural and organizational aspect of coordinating the interests of the participants of holding structures, a functional aspect is distinguished, which is based on two fundamental points [282, p.15]:

- 1) definition of the center in the formation of the holding structure: banking (financial and credit), industrial, trade, research. Each of the listed structures has its advantages and disadvantages. The advantage of the bank's parent company is free access to financial resources, the disadvantage is ignoring the interests of the product manufacturer, focusing on obtaining high incomes at the expense of speculative manipulations. The advantage of integration, where the center of integration is an industrial enterprise, is the formation of stable economic ties at all stages of production and processing, strengthening of the enterprise's market position. The advantage of integration with a trading company is the ability to control the costs and revenues of not only production, but also its implementation, the disadvantage is ignoring the interests of the production cycle.

- 2) each member of the holding structure specializes in performing a certain function.

According to V.V. Gubanov [62], the principle of company specialization is realized in the holding structure, not only from the point of view of processing, but also from the point of view of management. Thus, a clear division of functions allows the participants of the holding to achieve better final results.

Therefore, the main goal of implementing the functional aspect in coordinating the interests of participants is "specialization of the functions of financial and economic activity" [282, p.15].

The main obstacles to the formation of agricultural holdings in the agro- industrial complex, in our opinion, are weak implementation of economic aspects and insufficient scientific validity. In modern scientific literature, the issue of combining tangible and intangible assets in the formation of agricultural holdings [105, 248, 327, 332], as well as their investment in certain projects [335, 116, 105, 205, 35] is well covered. However, the problems of the effectiveness of the creation of agricultural holdings and the organization of financial flows remain insufficiently researched.

We share the position of scientists [62, 160, 275, 276, 303, 267, 205, 108] regarding the main advantages of agricultural holdings, which are:

- 1) reducing the tax burden;
- 2) organization of a waste-free production and technological cycle, which contributes to complete processing and reduction of raw material losses;
- 3) improvement of product quality, reduction of costs for its production and sale;
- 4) solving issues of shortage of funds, at the expense of own financial and credit institutions, in the case of such, and with the help of optimization of intra- economic financial flows and internal financing.

In view of the above advantages and taking into account that fixed costs per unit of production are reduced, and variable costs remain the same, we agree with the conclusions of Khizrych R. [335; 116], which consist in the fact that with an increase in the volume of produced products due to the involvement of a larger number of participants in the agricultural holding, directly related to the production of this product, the income from the production and sale of products, which is calculated for each participant, increases to a certain limit

In this regard, the main goal in the sphere of coordination of the interests of the participants of the agricultural holding is to establish the optimal ratio of total income and total costs. This necessitates a detailed analysis of the structure of expenses and income in each specific case.

We adhere to the position of Slepneva L.R. and we believe that the formation of agricultural holdings, focused on unification of the agricultural and industrial sectors of the economy, is one of the ways of solving social and psychological aspects. It should be noted that the main goal of the socio-psychological aspect of coordinating the interests of the participants of the agricultural holding is the formation of cultural and value guidelines [282, p.17].

We support the opinion of V.A. Semenov, that socio-psychological aspects in the coordination of the interests of the participants of the agricultural holding are associated with the emergence of social tension due to intracultural differences and the unwillingness of rural residents to independently solve the problems of agricultural production, take care of the interests of the community and the territory in which they live. During the administrative system, these functions were entrusted to the state. At the same time, we cannot agree with the fact that, in his opinion, in the conditions of market relations, they became the responsibility of only the rural community [275]. We believe that this is a multi-vector issue that requires a complex approach to its solution with the involvement of all state institutions.

At the same time, the peasants are not used to taking on the risks associated with the production and sale of agricultural products. The formation of market relations ensures equality of opportunities, that is, freedom of choice, and not freedom of results [282, p.16].

For the socio-psychological adaptation of the population, it is necessary to ensure the formation of economic and non-economic interests, including the determination of cultural and value orientations, when the main criterion in the company is the work capacity of its employees.

Thus, as a result of a detailed analysis of the theoretical and methodological aspects of the formation of agricultural holdings and the coordination of the interests of their participants, it was possible to determine the main features of the organization of the work of agricultural holdings: structural and organizational, which consists in restoring broken inter-branch ties; functional - specialization of functions of financial and economic activity of all participants; economic - determining the optimal ratio of total income and total costs; socio-psychological - the formation of cultural and value orientations.

The opinion of Slepneva L.R. is valid. in relation to the fact that agricultural holdings, compared to horizontal and conglomerate integrated structures, allow to restore economic ties between economic entities (structural and organizational aspect), clearly distribute the functions of financial and economic activity (functional aspect), increase income and reduce costs for the production and sale of products through the construction of a complete production cycle (economic aspect), to ensure the equalization of the incomes of employees of all participants of the integration structure, smoothing of social conflicts between agricultural and industrial personnel, as well as to increase motivation to increase labor productivity (social-psychological aspect) [282 , p. 18].

In addition, deepening the processes of vertical and horizontal integration based on the creation of various agro-industrial formations allows solving the following issues: providing the population with the necessary finished products; coordination of business activities of association members; protection of joint property interests, their financing and lending; conducting marketing research on production and delivery of the finished product to the final consumer; ensuring stronger competitive positions in the food market. We support the position of M. D. Babenko, that the most stable are agro-industrial associations, which create a closed cycle of "production-processing-sale", which allows them to restore the inter-branch price imbalance, to overcome the monopoly of industrial structures and their dictates in the formation of prices on raw material markets,

The main task of the agricultural holding is to establish sustainable, long-lasting and stable production, economic, organizational, technological, commercial and other ties that ensure the maximum reduction of product losses in the process of transition from one sphere to another, clear functioning of the reproduction chain and stable provision of the formation of district, regional and interregional food funds [210].

The relevance of the study is due to the lack of a clear definition of the processes of investment activity of non-agricultural companies in the agricultural sector and the processes of vertical integration.

Based on the fact that the purpose of creating horizontally integrated structures is mainly to solve short-term tasks, in particular, the implementation of a single price policy on the market in conditions of fierce competition, technical and economic exchange of experience or innovative transformations, the object of research is defined as a vertically integrated structure.

The development of holding structures in agricultural production requires new scientific developments and recommendations in the direction of the formation of a competitive environment, working out mutually beneficial rules of the game between the subjects of lease agreements: establishing the optimal amount of rent, forms of its payment, lease terms, implementation of their powers by subjects, in particular, introduction of pledge of the right to rent, exchange of land plots. In addition, there are debatable issues that require additional research.

Considering that the development of agricultural holdings is based on the shareholder type of building an organizational structure, we consider it expedient to consider and analyze it in detail on the example of Rise-Agro CJSC, whose shareholders are legal entities and individuals who have acquired the right to own the company's shares.

The governing bodies of a joint-stock company are the general meeting of shareholders - the highest body; supervisory board - representative body of shareholders in the period between general meetings; general director - executive body; as well as the audit commission - the body of control over the financial and economic activities of the general director.

The competence of the general meeting of shareholders includes the approval of the annual results of the company's activities, reports and conclusions of the audit commission, the order of profit distribution, the term and order of payment of a share of the profit (dividends), determination of the order of loss coverage.

The competence of the supervisory board includes: determining the main directions of the company's activities and approving its budget, production plan and reports on their implementation; approval, at the request of the general director of the company, of rules of procedure and other internal documents of the company; determination of the organizational structure of the company and the staff list; approval of the collective agreement of the company and determination of the terms of payment of company officials, directors of subsidiaries, branches and representative offices, as well as their motivation system.

The executive body of a joint-stock company, which manages its current activities, is the general director, who is appointed by the supervisory board.

The general director, with the approval of the supervisory board, signs a collective agreement with the labor team and establishes a wage fund on the terms specified in the collective agreement.

According to the charter of the enterprise, the rules of internal labor regulations, employment in the company is implemented through the conclusion of an employment contract or contract between the management company represented by the general director of the company and a citizen.

A candidate for the position of deputy general director, director of a department or branch, chief accountant of the enterprise is approved by the company's supervisory board, after which he is appointed to the position by order of the general director. The General Director may delegate the right of employment to branch directors. The director of the branch has the right to hire an employee only if there is a vacant position provided for in the company's staff list.

Chief specialists of branches are appointed to the position only by order of the general director of the company. As an exception, the director of the branch may, by his order, appoint an acting chief specialist of the branch, followed by his approval, within a month, by order of the general director.

The coordinating link of agricultural holdings is the central company, which is delegated the authority to make major decisions, implement top strategic management, coordinate financial and economic activities, business planning, and develop a marketing policy [210].

"The organizational structure of the agricultural holding, first of all, is aimed at solving issues regarding the selection of the quantitative and qualitative composition of the participating enterprises. Such selection should be based on the following factors: production direction and level of management; substantiation of technological and economic connections of potential participating enterprises, degree of centralization of production and management functions, territorial factor" [18].

We support the position of M. D. Babenko. and we believe that "the main tasks in the formation of an agricultural holding are to ensure the coordinated activity of all organizational and legal economic structures that participate in the organizational and technological cycle of the production of certain types of finished products, the economic and social interest of each partner in obtaining a high final result, better organization of agricultural market" [18]. This can be achieved through the implementation of the principles of using investment and innovation resources, which play a decisive role in the process of forming a group of founders of newly created economic structures. In the absence of a leading enterprise and a reliable investment source, a newly created agricultural holding can turn into an ineffective formal association of legal entities.

In fact, in the formation of agricultural holdings, the main founders are non- agricultural companies that were either buyers of agricultural products or suppliers of material and technical resources of industrial origin. However, there are cases when the investor is not related to agriculture at all.

Most authors distinguish the organizational, economic, structural, and legal stages of formation of agricultural holdings [210].

Recently, the process of creating agricultural holdings through mergers and acquisitions of other companies has been actively developing (Fig. 1.2).

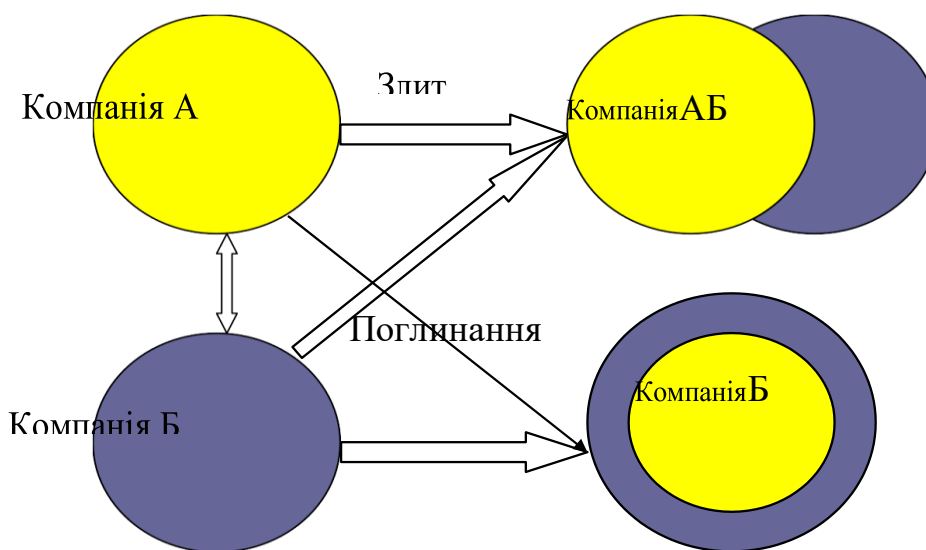


Fig. 1.2. Example of creation of agricultural holdings

In particular, the processes of mergers and acquisitions became quite active in 2009. For example, in September, the agro-industrial holding "Land West Company" and "Western Company" Dakor completed the process of merging their assets, resulting in the creation of a new company "Dakor Agro Holding" (Dakor Agro Holding, Cyprus). The structure of the new association consists of 4 sugar factories with a total sugar beet processing capacity of 16.7 thousand tons per day, has 163 thousand hectares of agricultural land in use, has a park of modern equipment, as well as companies providing logistics and product storage. It is planned that such a merger will allow the new association to enter the top three largest agricultural holdings of Ukraine. Thus, the holding expects to increase the sale of agricultural products by 3.6 times by 2012, compared to the level of 2009 - to UAH 758 million. In December 2009, it was announced that the merger of one of Ukraine's largest agro-industrial holdings, OJSC "Sugar Union" Ukrros" with LLC "Ukrros- zerno" (99% of the share in its authorized capital was purchased by OJSC "Sugar Union" Ukrros"). At the same time, the main goal of combining agrarian business and processing was to improve and improve the management system.

In April 2009, Mriya agricultural holding completed the takeover of several large agricultural producers in the western region, and in July the Antimonopoly Committee of Ukraine allowed the holding to acquire shares of six sugar factories in the Ternopil region. Basically, such activity is aimed at increasing the volume of production of agricultural products [359].

At the beginning of 2011, businessman Oleg Bakhmatyuk, who owns the company "Avangard" - the largest producer of eggs in Ukraine, was purchased. "Rise", "Dacor Agro Holding", "Agro-Alfa". As a result of the operation, the company controlled by him "Ukrlandfarming" became the largest lessee of 480,000 hectares of agricultural land in the country. Land Bank "Rise" leases 180,000 hectares, "Dakor" - 106,000 hectares. "Rise" also owns the Lohvytskyi sugar factory, distributes agricultural machinery, fertilizers and plant protection products. In addition, the company develops farms for 6,000 cattle and 4,000 pigs. "Dakor" owns four sugar factories.

In 2011, the largest holding "Ukraine" SCM" and its partner in the mining and metallurgical business "Smart-Holding" created on the basis of agricultural assets of the Mariupol Metallurgical Combine named after Ilyich ("Ilyich MMK", Donetsk region) agricultural holding "HarvEast Group" with a land bank of over 200,000 hectares.

The agricultural assets of MMK named after Ilyich: cultivated land with a total area of over 200,000 hectares; cattle (over 36,000 heads), pig farms (over 60,000 heads); poultry farms (more than 270,000) and other specialized assets (compound feed production, seed crop production).

The geographically listed assets are located mainly in Donetsk, as well as in Zaporizhzhia, Cherkasy, Zhytomyr regions and Crimea. They include subsidiaries (SE) of Illich-Agro Donbas, Illich-Agro Zaporizhzhia, Illich-Agro Uman, Illich-Agro Krym, JSC Bakhchovyk and Transportnyk (crop and animal husbandry), SE "Illich-Rybalka" (fish breeding) and OJSC "Priazovya" (seed production). The total number of employees of the holding's companies in 2011 was 9,000.

In general, the creation of integrated structures can open the way for business entities to enter new markets. Moreover, integration structures can act as a convenient form of transfer of capital from industries that have problems associated with a decline in production [248].

The main goal of creating agricultural holdings is the formation of such an integration structure that is able to ensure the profitability of the association's production and financial activities in the long term and a stable place on the domestic and foreign markets. The specific goals of each participant are usually different from the general goals. However, they have a common strategic goal, which is to maximize profits.

The creation of agricultural holdings necessitates the definition of an accurate unified terminology that reflects the economic essence, character and nature of each of them individually and collectively as parts that make up a single agrarian-industrial complex at the level of the national economy scale [54]. We consider this point of view to be well-founded and one that requires clear definitions of terminological concepts.

Our studies of the practice of cooperation and integration in agricultural holdings at the current stage of the development of these processes confirm that the named organizational formations are not identical both in terms of their functioning and in terms of economic relationships within agro-industrial formations. In many cases, their names do not correspond to the content of economic relations with the external environment and between units in the enterprise (association). Based on these prerequisites, we have made an attempt to formulate terminological definitions: "agroholding", which would reflect the content of the activity of these formations and intra-economic relations. Agroholding is an association that involves the parent company owning the assets of other companies and managing them, taking into account the entire cycle of production, processing and sale of products, which is characterized by purposeful reproduction of the industry on a new technological, organizational and economic basis.

Agroholding is an association of enterprises of different forms of ownership and management, which have integrated into a single economic legal entity for joint multi-sectoral activities in the production of products, their processing, service maintenance of productions, trade, operating according to a single economic plan and general management [218].

Clear differentiation regarding the name and content of agricultural holdings contributes to the creation of such organizational and legal structures that meet the requirements of the mechanisms of action of economic laws and ensure higher economic efficiency of management.

1.4. Institutional effects of the development of agricultural holdings

Solving the problem of institutional effects of the development of agricultural holdings is of great importance in the formation of economic relations between their members, gaining special relevance under the conditions of globalization of the domestic economy.

In the period from 2000 to 2010, there was a rapid development of integration formations in the agrarian sphere, which led to a qualitatively new development of them as institutions and a significant expansion of the sphere of activity. Currently, the issue of weakening the negative influence of agricultural holdings on the state's agrarian policy has become acute, as there is a situation where they, acquiring significant financial power, leave state control. In some cases, there is even an increase in their pressure on institutions of state power.

In the scientific literature, there are ongoing disputes regarding the affiliation of integrated

structures to institutes. Having conducted a detailed analysis of their structure, activities, forms of setting up production processes and economic and financial relationships, we came to the conclusion that modern integrated formations have gone far beyond the boundaries of ordinary organizations, and their influence on the development of the national economy of the country is not local, since quite often it is they who establish the "rules of the game" in the domestic economic and sometimes political arenas. The active development of agricultural holdings and the strengthening of their financial stability are facilitated by significant amounts of investments, including foreign ones, which leads to the inclusion of Ukraine in the world integration processes, thus strengthening their institutional basis.

The concept of institutional effects of the development of agricultural holdings is multi-faceted and multi-component, so it is advisable to combine them into six main groups: investment, management, organizational, personnel, financial and social (Fig. 1.3).

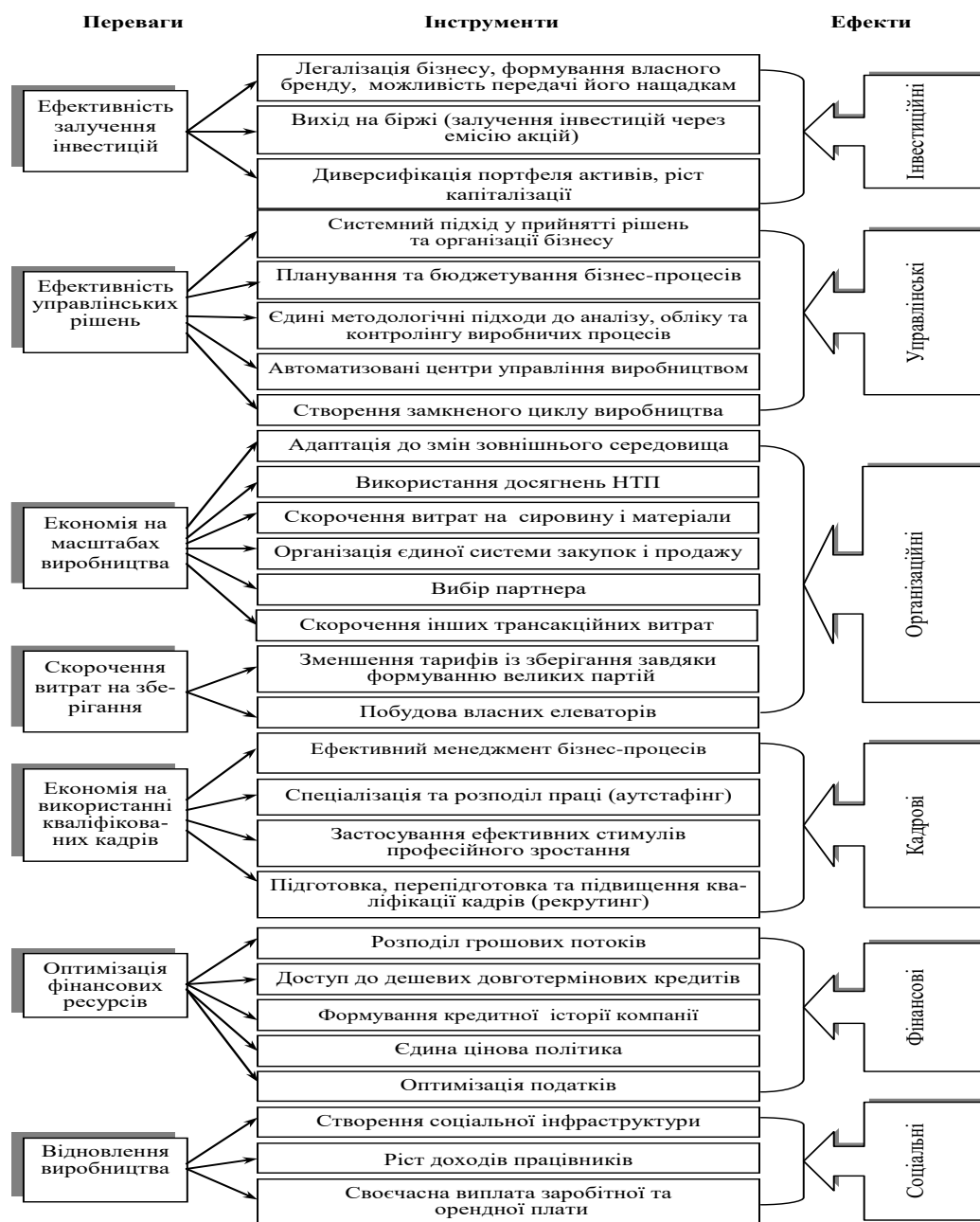


Fig. 1.3. The

main advantages of the development of agricultural holdings and the ways of ensuring them
Source: author's research.

The process of integration, as a rule, is characterized by the formation of the so-called "agro-industrial chain". Interacting, economic structures that are links of such a chain have quite high economic indicators, which is due to obtaining additional institutional effects from their economic activity. In general, the evolutionary processes of the development of integrated structures cause the appearance of such effects.

The investment effect is manifested through the investment attraction mechanism.

In our opinion, the tools for creating an investment effect are as follows:

- ❖ legalization of business, formation of one's own brand and the possibility of passing it on to descendants, which makes it more attractive;
- ❖ going to the stock exchange, which allows attracting investments through the issue of shares;
- ❖ asset portfolio diversification, capitalization growth.
- ❖ Management effects are ensured as a result of making effective management decisions. For this purpose, the following are used in establishing the management mechanism of the agricultural holding:
 - ❖ a systematic approach to decision-making and business organization;
 - ❖ planning and budgeting of business processes;
 - ❖ unified methodological approaches to the analysis, accounting and controlling of production processes;
 - ❖ automated production management centers;
 - ❖ creating a closed production cycle.

Organizational effects include economies of scale in production and reduction in storage costs. At the same time, economies of scale in production are ensured through:

- ❖ quick adaptation to changes in the external environment;
- ❖ use of achievements of scientific and technical progress;
- ❖ organization of a single system of purchases and sales;
- ❖ the possibility of choosing a profitable partner;
- ❖ reduction of costs for raw materials and materials;
- ❖ reduction of other transaction costs.

It should be noted that the active development of agricultural holdings objectively contributes to the effective penetration of the achievements of scientific and technical progress into all links of the agro-food chain, and is also the basis of the unification of technological processes and, as a result, the improvement of the efficiency of agricultural production as a whole.

The development of agricultural holdings ensures an increase in the efficiency of economic activity due to the reduction of transaction costs. Transaction costs of activity should be understood as costs arising as a result of the exchange of ownership of agricultural products and raw materials in the process of their purchase and sale.

In this regard, it is appropriate to note that the reduction of costs for the organization of the supply of raw materials and materials is carried out through the formation of joint purchases for a certain link of integrated enterprises or through the involvement of logistics centers and causes the creation of an organizational effect of the activity of the agricultural holding.

Reduction of storage costs is achieved by:

- ❖ reduction of storage tariffs thanks to the formation of large batches;
- ❖ construction of own elevators.

Reducing the costs of storing goods and material values requires the development and adoption of appropriate management decisions regarding rationing of stocks, coordination of the purchase plan with the plan of production or sales

(trade), customer segmentation during implementation and the creation of priority systems during the assembly and delivery of orders, which, in turn, contributes to increasing the efficiency of work with customers.

Savings on the use of qualified personnel include:

- ❖ effective management of business processes;
- ❖ specialization and division of labor (outstaffing);
- ❖ application of effective incentives for professional growth;
- ❖ training, retraining and advanced training of personnel.

In the conditions of modern agricultural holdings, there is an opportunity to attract the most qualified personnel, taking into account their specialization, which allows the employee to concentrate on the performance of specific tasks and contributes to increasing the efficiency of their performance.

The effect of the use of qualified personnel is manifested in the improvement of the efficiency of the personnel's work with the simultaneous regulation of the level of wages of employees and causes:

– optimization of the number of personnel based on the labor intensity of business processes (rationing of labor resources);

- decision-making by the management apparatus on the efficiency of employees' activities, which leads to the need to review the existing indicators of their work efficiency and strengthen the motivation of employees to

achieve better financial results of the enterprise's work.

Financial effects are manifested in the optimization of financial resources and are ensured by:

- ❖ distribution of cash flows;
- ❖ access to cheap long-term loans;
- ❖ formation of the company's credit history;
- ❖ uniform price policy;
- ❖ optimization of taxes.
- ❖ The social effect is ensured thanks to the restoration of production and is characterized by:
- ❖ creation of social infrastructure;
- ❖ the growth of employees' incomes;
- ❖ timely payment of wages and rent.

The main institutional effect of the development of agricultural holdings is a decrease in the cost of production of goods, works, and services, which is ensured by:

- ❖ introduction of advanced technologies that reduce resource intensity and labor intensity by automating production processes, standardizing consumption of fuel and energy resources: raw materials, materials, components and other material resources of the enterprise (development of norms and standards for a specific enterprise that reflect the specifics of the technological process);
- ❖ by reducing the costs of storing goods and material values by developing and adopting separate management decisions (rationing of stocks, coordination of the purchase plan with the production or sales plan, segmentation of customers during implementation and creation of priority systems during the assembly and delivery of orders), which, in turn, will help companies to improve the efficiency of customer service;
- ❖ reduction of costs related to the supply of raw materials and materials through the organization of joint purchases with other enterprises or the involvement of logistics centers;
- ❖ reduction of transaction costs associated with the execution of operations: costs of choosing a partner; for signing agreements; for control over performance; to adapt to the changes taking place; to improve the qualifications of individual employees; to prevent fraud;
- ❖ the involvement of qualified personnel, which allows the employee to concentrate on the performance of specific tasks and contributes to
- ❖ increasing the efficiency of their performance;

Deepening vertical integration will allow business entities to reduce costs associated with the search for suppliers and sales channels for products and their processing.

1.5. The role of agricultural holdings in increasing the efficiency of agricultural production

After analyzing, grouping and classifying institutional effects, it is appropriate to note that the deepening of vertical integration in agricultural holdings enables business entities to reduce costs associated with the search for suppliers, the assessment of the quality of agricultural products and raw materials, as well as the costs of using agricultural product sales channels and products of its processing. Further deepening of interaction, development of relations between business entities in various spheres, including within the framework of the technological process, will contribute to increasing the competitiveness of agricultural holdings due to the manifestation of individual institutional economic effects or their combination.

Integrated structures play an important role in ensuring the food security of the state, increasing the volume of production of domestic agricultural products and increasing its competitiveness on food markets, providing raw materials for industry, increasing the employment of peasants, raising their wages to the level of industrial workers, increasing the welfare of peasants and social development of Ukrainian villages belong to agricultural holdings. To a large extent, the future of the agricultural sector of Ukraine depends precisely on the efficiency of their work. After all, large agricultural holdings have access to capital, the latest technologies, and knowledge in each individual segment (agronomy, veterinary medicine, ecology, economics, management, etc.) [292]. The main motivating motives for the creation of agricultural holdings are the achievement of economies of scale of production,

Thanks to the activities of agricultural holdings, it was possible to significantly improve the economic indicators of agricultural production in recent years.

Stopping the decline in production, which continued since 1993 and was caused by the price and tax policy unfavorable for the village, the violation of integration inter-industry relations, under which the newly created organizational and legal structures in the processing industry in the process of privatization, occupying a monopoly position, tried to ensure the effectiveness of their activities at the expense of agricultural producers, unilaterally setting low prices for raw materials.

Since 2000, there has been an increase in crop production volumes.

In July–November 2009/10, Ukraine ranked third in the world in terms of grain and legume exports (11.3 million tons versus 10.9 million tons in July– November 2008/09). In the structure of exports, along with traditional sales markets (Egypt, Iran, Syria, Turkey, Bangladesh, etc.), there is a diversification of exports to developed countries (Japan, South Korea, Spain, Israel, etc.). As of January 1, 2010, compared to the corresponding date in 2009, the number of pigs increased by 9.3%, sheep and goats - by 4.1%. In addition, as a result of the increase in the number of poultry in all categories of farms (by 7.3%), the growth of egg production (by 9.1%) continues. In 2009, the total volume of livestock production increased by 4.2% compared to 2008.

For example, if for 1991–2000 the volume of investments in agriculture well, the agricultural sector decreased almost 24 times, investment activity in agriculture has been observed recently. In particular, in 2009, capital investments in the agricultural sector amounted to over 9.3 billion UAH (compared to 2.1 billion UAH in 2003), or 6.2% of their total volume in the economy of Ukraine.

Experience shows that no matter how large-scale, deep and radical the changes in property relations in the countryside and organizational forms of management in agro-industrial production are, in the absence of adequate resource, material and technical and financial support without the use of modern technologies, the construction of integrated structures is practically impossible to ensure high final production results.

At this stage, agricultural production turns from unprofitable to profitable. In 2000, agricultural enterprises had losses in the amount of UAH 121.4 billion, and in 2009, the level of profitability of economic activity of agricultural enterprises was 8.5%, including sales - 13.8% [278].

Agricultural production is the primary basis for the creation of added value, which largely determines both the development of agro-industrial production and the development of the economy as a whole. After all, one unit of manufactured products contributes to the development of other industries by 10–12 units.

The creation of agricultural holdings is a model for the revival of agricultural production and, on this basis, ensuring the food supply of the people of Ukraine at the level of rational nutritional standards, providing raw materials for industry, increasing the labor employment of peasants, raising their wages to the level of workers in industrial industries, increasing the welfare of peasants and the social development of the Ukrainian countryside.

The practice of forming agricultural holdings in the agricultural economy of Ukraine shows that this is a rather long and painstaking process. The development of agro-industrial associations in the form of agricultural holdings is one of the effective ways of reviving the entrepreneurial activity of agricultural producers. At the same time, the advantages of this form of management are determined by the combination of the function of ownership, labor and management in one person, which stimulates an additional impetus to the efficient management of agricultural production.

Holding-type companies are full-fledged and equal producers of agricultural products, they occupy a leading place in the Ukrainian food market.

For their formation and development, conditions and time are necessary, which largely depend on the following factors: improvement of financial and credit and tax policy; creation of appropriate land legislation; formation of the appropriate infrastructure of services, agricultural service, processing and sales of products; state support of holding companies in the creation of a production base; holding events for special training of specialists on the basis of secondary and higher educational institutions, as well as promoting the development of integrated structures in mass media.

The basis of the activities of the holdings is the restoration of old and the construction of new relations with agricultural enterprises, which include seasonal and off-season lending, the establishment of a higher price level in order to attract raw materials for processing, modernization of farms, the purchase of highly productive livestock and equipment at the expense of non-agricultural companies [339].

The main factors that will ensure the high economic efficiency of the business include: the use of advanced technologies; formation of a closed cycle of production; rational use of available resources; organization of logistics; implementation of equivalent exchange between business units; delivery of products to the final consumer through its own trading network. This makes it possible to reduce the influence of intermediaries on the formation of revenue and to strengthen the competitiveness of production.

In general, the formation of integration structures makes it possible to solve many issues: to respond promptly to changes in the market situation, to reduce production costs, to achieve economies of scale of production, to accumulate and attract additional financial resources, to improve the efficiency and maneuverability of the use of labor, technical and financial resources [62, 160, 275, 276, 303, 267, 205].

Enterprises that are part of agricultural holdings receive a guarantee of stable supplies of raw materials, capital, and labor, and regulate the costs of purchasing the necessary resources.

The analysis of the situation showed that in complex macro-economic market relations not regulated

by the state, agricultural holdings increased the efficiency of agricultural production through the wide implementation of progressive technical and technological solutions in production, active development of multi-sectoral activities, and provision of equivalent exchange between economic units. The growth of economic indicators was facilitated by the internal processing of all manufactured products and their sale through our own trade organizations. A significant role was also played by the organization of agricultural service maintenance of production and processing processes. Such a mechanism for organizing the production process allows you to increase the gross income from the sale of products not at the expense of increasing prices, but by eliminating the middleman, processor and wholesaler.

The expediency of the participation of agricultural enterprises in agricultural holdings is that it will improve their financial and economic condition and provide expanded reproduction, reduction of transaction costs, reduction of material costs per unit of produced products, growth of gross income due to increase in production volumes.

In general, the development of integrated agricultural formations through the combination of agricultural, industrial and trade capital should be considered as a prerequisite for the effective development of the agricultural economy in the near future, the creation of new jobs and the solution of social problems in rural areas. Unification of processing, trading and banking capital in agricultural production and involvement in production management of effective teams of managers, new technologies and management systems can become the most promising way of development of the agricultural economy.

Therefore, one of the main tasks of the research is to evaluate the results of the activities of agricultural holdings both for the development of the agricultural sector of the economy and rural areas, as well as possible scenarios for the development of investment activity in the medium term.

The production efficiency of the vast majority of agricultural holdings is determined by the presence of significant amounts of sown areas and the establishment of own production of finished products. Rural areas receive new jobs, local budgets are replenished and, as a result, social projects are implemented, which will ultimately contribute to the revival of agriculture, the improvement of the trade balance, and the increase in the incomes of the rural population.

The investment attractiveness of agriculture contributed to attracting significant financial resources to agricultural production. New technologies and quality management systems are being actively introduced into production, the qualifications of employees are improving, and the management system of agricultural enterprises is being improved, the result of which should be stabilization, and in the future, an increase in production volumes and an improvement in the quality of products and the expansion of sales markets.

Undoubtedly, the positive aspect of the creation of agricultural holdings is an increase in rents. In some cases, it is paid at the level of 8% of the land value. Rent payments are paid on time, arrears are not allowed. The main motive is to receive state subsidies and a satisfactory audit opinion at the end of the year. This is absolutely necessary to improve the status of the company when attracting investments. The volume of attracted investments in 2007-2008 alone amounted to more than 1 billion US dollars.

The main and defining achievement of the work of agricultural holdings for the period from 2004 to 2010 is the suspension of the decline in the production of agricultural products and the increase of their volumes. The weighted average level of profitability of agricultural production, without taking into account subsidies and surcharges, is almost 15%, under the conditions of the use of the latest technologies, investors received significantly better results. So, in 2007, the profitability of sunflower production in agricultural holdings was 130%, and wheat - 80%. Along with this, the infrastructure is gradually developing, new elevators, new feed plants are being built, in particular, the domestic producer of concentrated feed and feed additives "Eurokorm".

The activity of agricultural holdings with a developed livestock sector is characterized by special advantages. In particular, the formation of integrated structures with the participation of enterprises specializing in the production of livestock products allows:

- ❖ to increase the level of intensification, concentration and specialization of production and to restore livestock farms and complexes suitable for further exploitation;
- ❖ to form optimally sized livestock farms;
- ❖ to improve productivity in the field of animal husbandry thanks to the development of selection and reproduction of cattle herds, balancing feed rations, updating the qualitative composition of herds, establishing constant monitoring of the growth and development of young animals;
- ❖ to develop selection and breeding work in agricultural enterprises;
- ❖ to introduce effective energy- and resource-saving technologies for the production of animal husbandry products;
- ❖ restore the compound feed industry and the production of compound feeds to provide the livestock industry with complete compound feeds and protein and vitamin supplements;
- ❖ to form the infrastructure of the agricultural market.

- The formation of agricultural holdings contributes to:
 - ❖ increasing labor intensity, saving costs, increasing wages, increasing motivation and prestige of work in agricultural production;
 - ❖ repurposing low-profit and unprofitable industries;
 - ❖ the decommissioning of redundant workplaces and, accordingly, the main production assets and production capacities in connection with denationalization, structural restructuring and changes in the market situation;
 - ❖ renewal and modernization of production, growth of the specific weight of the active part of fixed assets in the structure of the main production assets, involvement of highly professional personnel in production;
 - ❖ creation of new jobs in other sectors of the economy, which provide agriculture with material and technical resources of industrial origin and equipment and provide services in the agricultural sector.

The economic mechanisms of management are being improved, which is based on the regulation of mutually beneficial economic relations in the agro-industrial complex, increasing the material interest of employees aimed at improving production, increasing its quality and profitability of production.

New technologies and quality management systems have been introduced into production, the qualifications of employees are improving, and the management system of agricultural enterprises is being improved, the result of which should be stabilization, and in the future, an increase in production volumes and an improvement in the quality of products and the expansion of sales markets. The employment of the population is increasing - the revival of production is a guarantee of the creation of new jobs and the preservation of existing ones.

In order to realize competitive advantages, a constructive agrarian policy is necessary, which in the conditions of the global economic crisis should become a priority in the system of economic transformations. First of all, it concerns the development of a strategy for the development of agriculture, the improvement of land legislation and the regulation of property relations, crediting for the development of the infrastructure of the agrarian market and the protection of domestic producers, including through import restrictions. The important issues that need to be resolved are:

- ❖ restoration of state subsidies for improving soil fertility;
- ❖ strengthening the performance of contractual obligations within land lease agreements;
- ❖ legislative substantiation of the possibility of deducting 1% from the gross production of products by processing enterprises, which in the vast majority are the founders of agricultural holdings, for the development of the social infrastructure of rural areas.

In general, an economically beneficial and socially oriented policy of agricultural holdings can be ensured by combining effective state regulation of their activities and economic freedom of integrated formations in the conditions of market relations.

The state policy aimed at protecting the domestic producer will contribute to the increase in the production efficiency of agricultural holdings; improvement of the agricultural market infrastructure and market mechanisms of price regulation; joining the world community; attracting investments aimed at reproduction and modernization of the resource potential of agricultural enterprises; improvement of the tax mechanism and credit and financial policy; restoration of irrigation and drainage systems; introduction of control over ecologically safe land use in agricultural enterprises and agricultural associations of all forms of ownership and management; development of modern resource-saving technologies for the production of ecological agricultural products; introduction of purposeful state support for agro-industrial production with simultaneous improvement of information, scientific, personnel support; development of breeding and seed production in crop production and selection and breeding in animal breeding; revival and development of the social sphere of the village.

In this context, it should be noted that the main tasks of the development of agricultural holding structures in the near future are the redistribution of the regional structure of the placement of productive forces, the deepening of the social division of labor, and the effective use of agro-climatic potential. The main obstacle that should be overcome in the implementation of the set tasks is the elimination of significant regional disparities in the levels of intensity and resource provision of agricultural production.

At the same time, the size of investments in agricultural production is of great importance in the development of agricultural holdings. In this regard, the formation of an investment-attractive innovative image of agricultural enterprises and their associations becomes important, which requires:

- activation of organizational and information support for investment attraction;
- ❖ improvement of organizational, legal and economic conditions for the activity of investors;

- comprehensive protection of the legal rights of investors, including foreign ones;
- ensuring the effective functioning of investment activities in market conditions.

Creation of agricultural holdings to create a closed cycle of production, ensure centralized production and rational redistribution of financial resources between structural units. Increasing the efficiency of the economic activity of agricultural holdings occurs due to the creation of synergistic effects on the establishment of effective cost control at all stages of production, processing and delivery of the finished product to the final consumer.

Conclusions to section 1

1. With the transition of the state to market relations, the development of agro-industrial integration became characteristic of the agrarian sector. Agro-industrial integration is an evolutionary mechanism of economic forms based on the maximization of profit due to the use of synergistic effect when combining separate parts of a single production process. Integration makes it possible to combine the economic interests of its participants, to make maximum use of raw materials and production facilities, to increase the production of finished products and their sale.

2. At the present stage, integrated structures of the holding type, which are a type of joint-stock companies, have become widespread in agricultural production. The essence of this entrepreneurial entity is the ownership by one (parent) company of a share of the securities of subsidiary enterprises that are part of the holding. The holding is a kind of regulated micro-market in the middle of which commodity- money relations are maintained under a regulated system of internal transfer pricing. All enterprises of the holding structure remain independent, carry out their economic activities under the control of the parent company. Thus, specific holding relations are formed. The initiators of the creation of holding companies are mainly processing enterprises and transnational companies. Research shows that the main motives for creating agricultural holdings are: the formation of raw material zones, strengthening competitiveness by building a closed production cycle and regulating inter-industry relationships, diversification of financial risks and the opportunity to legalize capital, create your own brand. The accumulation of financial, material, energy and labor resources provides favorable conditions for the implementation of investment projects, improvement of relationships between all participants of the integration process and their interest in business results and profit maximization, in connection with which an active process of their formation and development is observed.

3. Solving the problem of the institutional effects of the development of agricultural holdings is of great importance in the formation of economic relations between their members, becoming especially relevant under the conditions of globalization of the domestic economy. The concept of institutional effects of the development of agricultural holdings is multifaceted and multicomponent. The conducted studies show that it is advisable to combine them into six main groups: investment, management, organizational, personnel, financial and social. In particular, institutions for creating an integration effect are: legalization of business and capital, formation of one's own brand, going to the stock exchange, which allows attracting investments through the issue of shares; asset portfolio diversification, capitalization growth. Management effects are ensured by making effective management decisions. For this purpose, in establishing the management mechanism of the agricultural holding, the following are used: a systematic approach to decision-making and business organization; planning and budgeting of business processes; unified methodological approaches to the analysis, accounting and controlling of production processes; automated production management centers; creation of a closed production cycle.

The main results of the research are published in the author's scientific works [68, 69, 70, 74, 75, 96].

SECTION 2

FORMATION AND FUNCTIONING OF AGROHOLDINGS

2.1. Prerequisites and mechanisms of formation of agricultural holdings

In Ukraine, important stages of reforming land relations were carried out: denationalization and monetary valuation of lands were carried out, more than two-thirds of agricultural lands were privatized. Market-oriented business structures are formed on a rental basis. At the same time, the issue of effective production and attracting investment and solving social and economic problems on this basis is an important task of economic science and requires research.

As a result of denationalization and privatization of land, the share of state ownership decreased to 26.2 percent, while 73.8 percent is in non-state ownership. State-owned lands are used mainly for scientific activities, for educational purposes, as well as for seed production, breeding, production of specific types of agricultural products. The collective form of ownership has almost lost its validity (Fig. 2.1).

The development of organizational and legal forms of management took place by testing various models. At the first stages of denationalization and restructuring of enterprises, important importance was attached to the development of farms and cooperatives, which have become widespread in many countries of the world. So, in Japan - 80%, EU countries - 60%.

"Collective enterprises were reformed into economic formations with relatively smaller sizes, which inhibited the use of the mechanisms of economic laws: the advantages of specialization and concentration of production; compliance of industrial relations with the level and character of productive forces; increase in labor productivity; socialization of labor and production, etc., which led to a decrease in economic efficiency" [237]. The development of integration processes and the creation of agricultural holdings on this basis contributed to the consolidation of land massifs and the creation of new viable formation

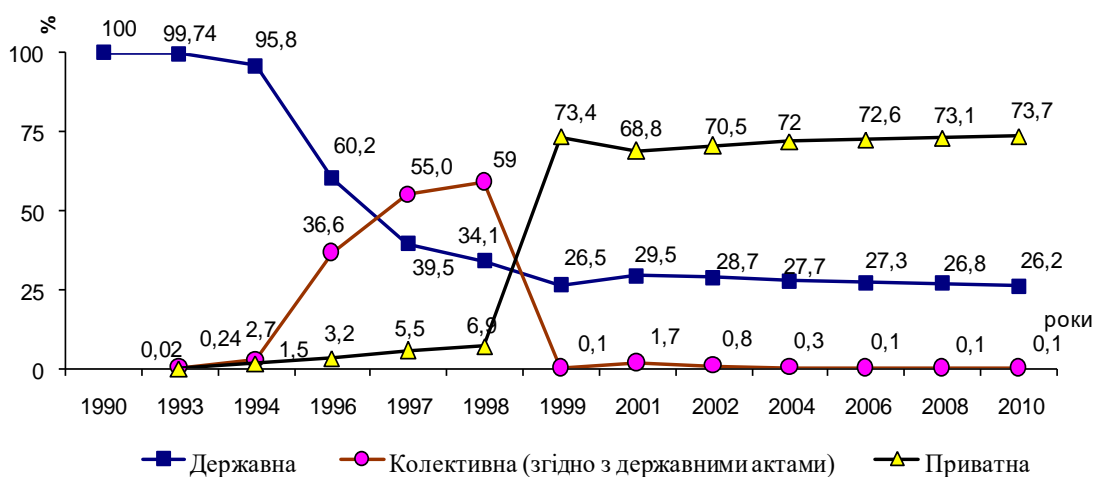


Fig. 2.1. Distribution of agricultural land in Ukraine by forms of ownership in all categories of farms for 1990–2010.

As of January 1, 2010, according to form 50 s.-y., in Ukraine 9,249 agricultural enterprises are reported, of which the largest share (54.2%) is occupied by business associations, 24.1% by private enterprises, and 6.8% by farms (Table 2.1). During 2001–2009, there was a tendency to increase the size of agricultural enterprises and reduce their number. Thus, the specific weight of cooperatives decreased from 16.9 to 6.8%. The idea of cooperative agro-industrial integration in the conditions of Ukraine did not spread significantly, since the newly created cooperatives did not differ in their organizational and economic activity from collective agricultural enterprises. Farms, in the absence of proper material, technical and financial support from the state, could not become a dominant producer of products and concentrated production on a limited spectrum, mainly

Composition and structure of agricultural enterprises by organizations non-legal forms of business

Form management	Year							
	2001				2009			
	number of farms	%	area s.-g. land, thousand ha	the area of the village land, per state, thousand ha	number of farms	%	the area of the village land, thousand ha	the area of the village land, per state, thousand ha
household societies	6970	54.4	13057	1.9	5017	54.2	10720	2.1
Private enterprises	2577	20.1	4054	1.6	2227	24.1	3394	1.5
S.-g. production cooperatives	2165	16.9	3707	1.7	629	6.8	1025	1.6
State enterprises	256	2.0	927	3.6	275	3.0	625	2,3
Peasant farms	390	3.0	526	1.3	797	8.6	1542	1.9
others, including inter-farms	462	3.6	672	1.5	304	3.3	918	3.0
In total	12820	100.0	22943	1.8	9249	100.0	18225	2.0

Source: author's research.

During the period of reforming the agrarian sector of the economy, there were changes in the structure of acreage of agricultural enterprises. The specific weight of grain and industrial crops increased and the specific weight of fodder decreased. According to the State Committee of Statistics, if in 1999, cereals occupied 48.9% of the sown area, then in 2009 - 63.9%.

During 2001–2009, there were trends to increase the size of agricultural enterprises with an area of more than 6,000 hectares and increase their management efficiency.

The increase in the size of agricultural enterprises is largely due to the attraction of investments in agricultural production. The concentration of capital found its expression in the creation of associations of agricultural enterprises in the form of holdings, associations, corporations, concerns, which assumed the functions of management, material and technical support, organization of production and sales of products, restoration of broken inter-industry ties, leveling of intermediary influence on the development of the agricultural industry.

The most important sign of modernity is the growth of interdependence and interaction of independent business entities in the field of resource use and distribution. Such interaction in economic science is called "economic integration". According to the generally accepted approach, economic integration is characterized by the deepening of interaction, the development of relations between business entities in various spheres, including within the framework of the technological process. There are three main forms of economic integration: horizontal, vertical and conglomerate. The development of each of them helps to increase the competitiveness of the business entity due to the manifestation of separate economic effects: first of all, synergistic, scale and broad profile.

As practice shows, in recent years in Ukraine, vertical integration has received the greatest development, which objectively contributes to the effective penetration of the achievements of scientific and technical progress to all links of the agro-food chain, and is also the basis of the unification of technological processes and, as a result, increasing the efficiency of agricultural production.

Associations are currently particularly important, as they contribute to the entry into the world economic system, accelerated achievement of the necessary level of competitiveness. From the point of view of optimizing taxation, the unification of several legal entities, each of which is intended for specific purposes (creating a raw material base, processing, production of finished products) into a concern (holding structure) or a financial and agro-industrial group is the most effective and widespread in domestic practice

The creation of agricultural holdings is a peculiar response of the agrarian economy of Ukraine to market requirements. This process takes place in an evolutionary way and does not have wide publicity and is a fundamentally new approach to the organization of agricultural production. The prerequisites for the creation of agricultural holdings are the underestimation of the value of land as the most important factor of production in the agricultural sector and the decapitalization of the industry, which sharply increases the return on investment. The results of the activity are: increased competition in the land rental market and an increase in the amount of rent; investment attraction; increase in labor productivity; strengthening the competitiveness of domestic production.

During 1992–2000, the agriculture of Ukraine underwent significant structural changes: lands were denationalized and transferred to collective ownership of agricultural enterprises, with their subsequent division and transfer to the ownership of peasants. Based on the lease of land and property shares of citizens, new market-oriented agricultural formations were created.

The transformation of agriculture to market conditions and the formation of organizational and legal forms of management took place in difficult conditions due to the disruption of economic ties, a significant price disparity between the agricultural products sold and material and technical resources of industrial origin, the absence of a self-sufficient credit system and the elimination of the system of zonal prices and subsidies, which operated during the planned economy. As a result, households became the main producer of agricultural products (vegetables, potatoes, milk, meat). Their specific weight in the total volume of production is 75%, agricultural and farm holdings account for 21 and 4% of the total volume, respectively. Some industries, in particular flax growing, hop growing, potato growing, and vegetable growing, were practically degraded.

Favorable market conditions and increased profitability of certain branches of agricultural production created conditions for strengthening globalization processes in agriculture. During the years 2000–2009, there were trends towards the consolidation of newly created enterprises, the increase of their area and the increase of production capacities.

The process of capital concentration in agricultural production is reflected in the creation of integrated structures - large business structures with an area of about 300,000 hectares. The basis of their formation is investments from abroad, as well as from domestic financial and industrial groups that are trying to diversify their risks, take advantage of the favorable global situation and gain a foothold in the Ukrainian land market. So, only during ten months of 2010, investments in the amount of more than 500 million dollars were attracted. USA.

According to preliminary estimates, there are more than 60 large holdings operating in Ukraine, which continue to expand land massifs. According to experts' estimates, for the current period they cover more than 6 million hectares, or about 24%, they are the largest producers of grain and industrial crops. Mainly, associations use innovative technologies and grow competitive products. By 2015, according to experts' forecasts, about 200 holdings will be formed in Ukraine, and gross grain production may reach 60–70 million tons [143].

According to the current legislation, "a holding company is an economic entity that owns controlling stakes in one or more other economic entities" [231]. Currently, in agriculture, we refer to agricultural holdings as non-agricultural companies for which agricultural production is not a specialized type of activity, but which are engaged in agricultural production by creating agricultural divisions in their structure. Companies engaged in agricultural production may not have a holding structure. On the other hand, holdings represent vertically integrated enterprises, the motives of which may not be related to vertical integration.

Agroholding is a qualitatively new organizational system of management, in which material (economic, technological, resource, etc.) factors are closely interconnected with social factors, which contributes to the restoration of broken inter-industry ties and the formation of mutually stimulating socio-economic processes [203].

From an organizational point of view, the formation of the association and its expansion takes place through the purchase by the parent company of the property complex of the agricultural enterprise and the lease of land, mainly on medium and long-term lease terms. The company identifies specific areas of development. Each type of business is granted the status of a legal entity with the transition to self-sufficiency. The management company takes over the functions of decision-making according to the strategic directions of the company's development, as well as the function of financing and control. Under such conditions, the company can unite a large number of enterprises of various sizes in the form of branches or production sites, which form added value in all subsequent divisions of the company, ending with the sale of products. Currently, most of the enterprises that are part of the holdings

Motives for the creation of agricultural holdings are: strengthening of production competitiveness, formation of own raw material base; consolidation in the land rental market; diversification of financial risks; control of financial and production activities of debtors; access to new product and capital markets;

optimization of the taxation system.

Conventionally, the organization of the holding can be divided into the following stages:

- organizational - determination of the composition of participants, type of activity and specialization;
- economic - assessment of the potential of structural units, stock volumes, finished products and possible sales markets. Development of a business plan, order and terms of debt repayment, determination of centers of financial responsibility based on the principles of intra-economic calculation;
- structural - optimization of the organizational structure, the selection of independent business units, the formation of the company's central apparatus, the number of employees, the principles of relations between divisions and the external environment. At the same time, the central apparatus performs functions related to strategic planning and protection of the interests of the owners of the enterprise, and the structural divisions are engaged in current production activities;
- legal - official registration in state authorities.

Agricultural holdings provide for the organization of work in agriculture by supplying resources (commodity credit), leasing land, providing soft credit, obtaining assets for debts and organizing production, purchasing assets of joint enterprises. The agricultural activity of most agricultural holdings begins with the lease of land and the acquisition of assets.

The formation of agricultural holdings is aimed at restoring broken inter-industry ties and eliminating the price disparity between sold agricultural products and material and technical resources of industrial origin, restoring a self-sufficient credit system. Unlike small agricultural enterprises, agricultural holdings have better chances of attracting investments, experienced and qualified personnel, developed infrastructure, the ability to diversify risks and control costs along the entire chain - from the field to the supermarket.

The entry of enterprises into the agricultural holding will allow them to expand the sales market, improve the image of the enterprise, increase competitiveness, strengthen competition in the land rental market and increase the amount of rent, attract investments.

The protracted nature of the reforms and the unsettled nature of property relations for a long time led to the destruction of property complexes and the decline of the economy of agricultural enterprises, which presented commodity producers with a choice: either grow competitive crops (sunflower, rapeseed, corn), or go bankrupt. Under such circumstances, about 60% of agricultural enterprises were unprofitable during 1995–1999. At that time, the processes of expanding the size of enterprises that were able to meet market requirements began. Mainly, these became vertically integrated enterprises, which, along with production, established processing, transportation, storage and sales of products.

When creating agricultural holdings, it is necessary to take into account:

- ❖ the need for infrastructure development, technical re-equipment and modernization of production, introduction of scientifically based systems of agricultural culture on an innovative basis;
- ❖ the need to establish cooperation with local and regional authorities;
- ❖ the sending of cheap imported products, in particular, vegetables and meat, forces domestic producers to increase the area under export-oriented crops (sunflower, rapeseed) and reduce capital investment in the development of the livestock industry;
- ❖ peculiarities of the local mentality - the management psychology of most managers and specialists was formed during the times of the administrative-command system of management, where gross indicators were put first, however, the basis of work under market conditions of management is profit making;
- ❖ shortage of qualified personnel at all levels of production, in particular machine operators, milkmaids, engineers, resulting in low labor productivity and additional costs of time and money for the training of specialists.

According to experts, the process of creating a holding can last up to 10 years. This is confirmed by the experience of the majority of domestic agricultural holdings that are actively developing on the Ukrainian agricultural market [148].

The generally recognized reasons that hold back investment in agriculture include: uncertainty of the prospects of the domestic land market; unresolved land disputes; imperfect legal framework; unstable agrarian policy; unjustified government intervention in business; excessive regulation of business - the need to obtain a large number of licenses, certificates and permits.

The development of large-scale agricultural production and the formation of holding structures based on it takes place both at the expense of foreign capital and domestic capital that was previously exported from the country. Ukrainian industrial and financial groups intensified their activities in this direction by creating vertically integrated agro-industrial enterprises covering all stages, starting with cultivation and their primary processing and ending with the sale of ready-made food products through the

retail network.

Characteristic features of the creation of agrarian associations are the direct participation of investors in the processes of managing agricultural production and investing in agriculture [339].

The production direction of the agricultural holding is largely formed based on the specialization of the parent company or its main type of business. Considering this, agrarian associations can be divided into sugar producers - CJSC "Ukrprominvest", LLC "Astarta", "Dakor Agro Holding"; of grain traders - JV "Nibulon" LLC; dairy farming - CJSC "Industrial Dairy Company"; material and technical support and provision of services - CJSC "Rise", grain processing - "Ukrzernoprom", LLC "Stiomi-Holding", animal husbandry - LLC "Myronivskiy Hliboprodukt", oil and fat company - "Kerner".

Analysis of the activities of large agricultural associations in the agricultural sector is significantly complicated by the limited access to company information and official statistics, which would allow to distinguish these structures from the group of commodity producers (appendix).

Based on the results of the research, it can be noted that the main prerequisites for investing in agriculture are:

- population growth and food demand. At the beginning of 2008, world prices for most food commodities reached the highest level in the last 50 years, in particular, the price of wheat in the world increased by 108% from 1999 to 2007;
- profitability of agriculture - according to the State Committee of Statistics, grain crops can provide 60-80% of profit, technical crops - 100%;
- unsecured domestic demand, great potential for domestic consumption. Thus, the consumption of meat increased by 42%, compared to 2000, milk and dairy products - by 30%, fruits - by 20% [44]. In 2006, meat consumption per capita in Ukraine was 32.9 kg per year, and in EU countries - 80.9 kg. Annually, the market for the consumption of quality meat increases by 25-30% [148];
- the potential of Ukrainian chernozems allows harvesting at least 60-70 million tons of grain per year, the country owns about 8% of the world's chernozem reserves, the arable rate is 69%, the arable area is 32 million hectares, while in France - 20 million hectares, in Spain, Germany and Poland - less than 15 million hectares, in Great Britain and Italy - 10 million hectares each) [142].
- the ability to quickly organize large-scale production and the relatively low price of entering the market - "the purchase of a company that leases agricultural land will cost up to 500 dollars. US dollars for 1 hectare, and the annual rent to the owners of land shares is 40-60 dollars. USA for 1 hectare per year". At the same time, "earnings before taxes, interest and depreciation (EBITDA) from one hectare can reach 500 dollars. USA" [148].
- realization of Ukraine's competitive advantages - with relatively small investments in the next three to five years, there are significant reserves for increasing the yield of agricultural crops due to the use of innovative technologies. Thus, the yield of grain crops in Ukraine averages 2.7 t/ha, in Poland - 3.1 t, in the European Union - 4.8 t, in Britain - 7 t [55].
- the increase in the value of agricultural land, which should be expected after the lifting of the moratorium. Currently, the rent is 30-40 dollars. USD per hectare per year, and the sale of corporate rights is USD 1-1.5 thousand. USA/ha. At the same time, 3.6 thousand dollars are needed to purchase land in Poland. USA/ha, in the USA - 5.4, in Germany - 22.3 thousand dollars. USA/ha [55].

The level of profitability of agricultural production, excluding subsidies and surcharges, is almost 15%. Under the conditions of using modern technologies, foreign investors obtained significantly better results. In particular, in 2007, the profitability of sunflower production in agricultural holdings was 130%, wheat - 80%. Such profitability of domestic agricultural production for foreign companies is explained by relatively small direct costs. Thus, "Landkom International" pays about 35 US dollars for one hectare per year, which is 10 times less than in Great Britain. The company pays peasants a salary of 400 dollars per month, while in the countries of the European Union, the minimum wage for a regular work schedule is 1.8 thousand dollars per month, or 4.4 times higher than in Ukraine.

The main advantages that contribute to investing in agriculture: convenient economic and geographic location and natural conditions favorable for agriculture; own raw material base of processing industry; lack of tough competition in the industry; proximity to potential sales markets; cheap labor.

Investments in agriculture are not only risk diversification, but also the development of a business direction, the profitability of which will grow over the years. The activity of agricultural holdings creates wide opportunities for the development of agricultural business in Ukraine and ensures the competitiveness of domestic agricultural products. First, significant savings on the purchase of means of production. Secondly, the possibility of new pledges: agricultural products are a pledge for non-agricultural activities of holdings (a lot of them appear, especially in the season), and this is a significant credit mass that begins to finance activities that are not related to agriculture in any way. Conversely, the provision from the parent company becomes collateral for the purchase of means of production for agriculture. Thirdly, this is a rapid change in the structure of crops, which is impossible in traditional agricultural production. In the

management structure - the creation of powerful private vertical hierarchies with a very complex management system. Setting up the accounting and internal control system, the centralized payment system, the development of the planning and budgeting system.

The advantages of agricultural holdings, compared to other agricultural formations, are as follows: in the field of management - involvement of experienced specialists; in the field of financing - preferential loans and subsidies, attraction of private investments, greater maneuverability of own capital; in the field of production - rationalization and effective use of resource potential, wide-reaching aggregates, intensification and diversification of production; in the field of the sales system - the possibility of forming large batches, export.

Unlike small agricultural enterprises, agricultural holdings now have the opportunity to attract additional capital in order to expand and modernize production. Most of them were formed in the 90s, have accumulated work experience, qualified personnel, developed infrastructure (elevators), the ability to produce products for which demand is stable, the ability to diversify risks and control costs throughout the chain - from the field to the supermarket [44].

There are already examples of cooperation between big business and local councils and the population, and companies are implementing programs to support the development of infrastructure in rural areas, because the restoration of agricultural production is new jobs and a stable source of filling local budgets. The development of agriculture gives impetus to other branches of the economy. Thus, the demand of agricultural enterprises stimulates the production of machinery, plant protection products, and mineral fertilizers [148].

Agricultural holdings receive the largest profit, which is what investors who invest in the development of agriculture are counting on. Thus, the profitability of production at the Land West company, as one of the largest representatives of agrarian business in Ukraine, is 30–50% [148].

Progressive production technologies are introduced in agricultural holdings. Thus, the Danish company Trigon Agri managed to increase the yield of wheat from 2.95 to 5.67 tons per hectare thanks to the use of wide-reaching equipment, the introduction of new varieties and hybrids of agricultural crops, and the improvement of production technology. In order to save fuel costs, GPS satellite navigation systems have been installed on tractors and combines, which provide energy savings of 30%. In addition, the GPS system monitors the consumption of mineral fertilizers. The "Mriya" company uses No-till technologies, which involve sowing seeds without plowing the soil. This makes it possible to reduce the fleet of equipment, to perform field work in optimal terms, to optimize the expenditure of time and money. Agricultural holdings monitor market conditions and grow those crops that provide higher profits. If earlier in Ukraine, rapeseed was practically not grown, now it is one of the main crops of agricultural holdings. The Land West company plans to grow "ecologically clean" grain - without the use of fertilizers and plant protection products, the price of which is much higher, in particular in the EU it is 1.5-2 times the price of ordinary grain.

The use of GPS technologies, namely, the technology of differentiated application of fertilizers and plant protection products, allows to reduce the need for their use by up to 30%, while the application corresponds to the real needs of the crop. One of the important aspects is the creation of an agrochemical examination laboratory ("Privat" group), which makes it possible to implement an individual approach when applying technologies on a specific field. CJSC "Rise" was one of the first among agricultural holdings to introduce a system of precision farming into production, in particular: a system of precise control and application of differentiated rates of mineral fertilizers. This approach ensured high profitability of growing agricultural crops and management efficiency. Agricultural holdings are formed, as a rule, on the basis of a leading company.

Land is leased in many regions of the country, which significantly reduces production risks. The increase in the number of agricultural holdings and the expansion of their areas is predicted at the expense of other farms engaged in extensive farming and the restoration of production on lands that are currently not cultivated, which is about 4.7 million hectares of arable land.

American agriculture has evolved into agro-industry, which includes various farming formations - from small family farms to large conglomerates. The process of their formation was accompanied by a significant reduction in number and increase in size. If in 1940 there were 6 million farms in America with an average area of 67 hectares, then by the end of the 1990s there were about 2.2 million of them, and the average size increased to 190 hectares. The number of people working in agriculture decreased from 12.5 million in 1930 to 1.2 million in the 1990s. If in 1900 farmers made up half of the entire labor force, then in 1990 - only about 2%.

The lack of access to cheap credit resources in the domestic market necessitates the development of mechanisms and their attraction from abroad. According to many analysts, their influx to Ukraine is connected not so much with the interest of foreigners in Ukraine, but with the activity of domestic companies in attracting foreign capital. As before, the main obstacles for investing money in Ukraine are cited by foreigners as the

high level of corruption, as well as the weak legislative protection of property rights.

The stock market is developing - investment funds operating in the securities of Ukrainian agricultural companies are appearing. Investing in such securities can be risky, as influencing the performance of a company whose shares you do not own is quite problematic. At the same time, for Ukrainian companies, it is a diversification of financial income and an opportunity to accumulate a significant amount of investments.

Many large Ukrainian companies listed their shares on Western stock exchanges and managed to attract investments (Table 2.2).

In 2010, "Avangard", "Agroton", "Milkyland" conducted successful public placement of shares (IPO). In the first half of 2011, the domestic producer of eggs and egg products Ovostar Union (raised \$33 million), KSG Agro (about \$40 million) and "Industrial Milk Company" (about \$30 million) were placed on the Warsaw Stock Exchange.

Deals on the capital market of Ukrainian agro-industrial companies [166]

Table 2.2

Issuer	Agreement date (year)	Raising funds, million dollars USA	Package of sold shares, %	Capitalization at the moment agreement million dollars USA
"Ukproduct"	February 2005	11	27	42
LLC "Astarta-Kyiv"	August 2006	31	20	155
"Western "Dacor" company	May 2007	21	20	103
"The Sugar Union "Ukrros"	July 2007	42	20	210
Landkom International	November 2007	111	55	202
"Kernel"	November 2007	218	38	574
"Land West"	December 2007	43	20	215
Landkom International	March 2008	22	10	220
"Kernel"	March 2008	84	9	933
MCB Agricole	March 2008	56	24	233
"Myronivskiyi bread product"	May 2008	322	19	1700
"Dream"	June 2008	90	20	450
Sinthal Agriculture	August 2008	34	15	230
Sinthal Agriculture	October 2010	13	17.2	h
Milkenland	October 2010	22.4	29.7	h
"Vanguard"	May 2010	21.7	208	h
Ovostar Union NV	July 2011	25	33.2	h

Source: IC "Arta investment partners".

According to the State Statistics Committee, as of January 1, 2011, direct foreign investments in the agricultural sector of Ukraine amounted to 833.7 million dollars. USA, which is 2.1 times more than on the same date in 2007 - 404.3 million dollars. USA and 4 times, compared to 2004 - 206.0 million dollars. USA. (Table 2.3). If in 2006, in the total volume of funds raised from the sale of share capital, companies in the agricultural sector accounted for no more than 7% (US\$ 31 million), in 2007 - up to 25% (US\$ 435

million), and in ten months of 2010 – 833.7million dollars. USA (Fig. 2.3).

Table 2.3

Direct foreign investments in the economy of Ukraine
as of the beginning of the year, million dollars

Indicator	Year					
	2004	2005	2008	2009	2010	2011
Total to Ukraine	6794.4	9047	29542.7	35616.4	40053	44708
Agriculture	206	224	557.3	793	813.3	833.7
Specific weight of agriculture, %	3.03	2.48	1.89	2.23	2.03	1.86
Production of food products, beverages and tobacco products	1006.4	1127.6	1561.2	1685.9	1828.4	1858.7
Specific weight of the food industry, %	14.81	12.46	5.28	4.73	4.56	4.16

Despite the fact that in the period from 2001 to 2008, the volume of foreign investments in agriculture increased by 10.9 times, their level still remains low - 2%. Investors are in no hurry to invest money in Ukrainian agriculture. This is caused by their lack of confidence in the current legislation, the judicial system, and the protection of their business interests.

The principles of investing in the agricultural sector of Ukraine differ from those generally accepted in Western countries. The main and basic principle is that in Ukraine one needs to manage one's own investments independently [44]. As a rule, foreign companies open their own enterprises in Ukraine, nominally Ukrainian, where the entire top management are foreign specialists.

"The development of agricultural holdings requires the development of investment attraction mechanisms for the purpose of resource renewal of production on a new technological, organizational and innovative basis. We believe that one of the ways of obtaining such loans can be the pledge of the right to lease land. To do this, it is necessary to legislate and develop a mechanism for pledging the lease right and develop the corresponding infrastructure (of land (mortgage) banks)" [272].

"Pledge of the right to lease land plots is one of the types of mortgage, in which the object of the pledge is the right of lease belonging to the lessee, according to the lease agreement of the land plot. The lessee can pledge the right to lease the land plot only with the owner's consent and for a term not exceeding the lease term. At the same time, he retains the right to use the land plot (lease rights) for the entire term of the mortgage relationship within the lease term" [272].

The main documents for pledging the right to lease are contracts: lease, credit, pledge of the right to lease land, insurance at the request of the bank (Fig. 2.2).

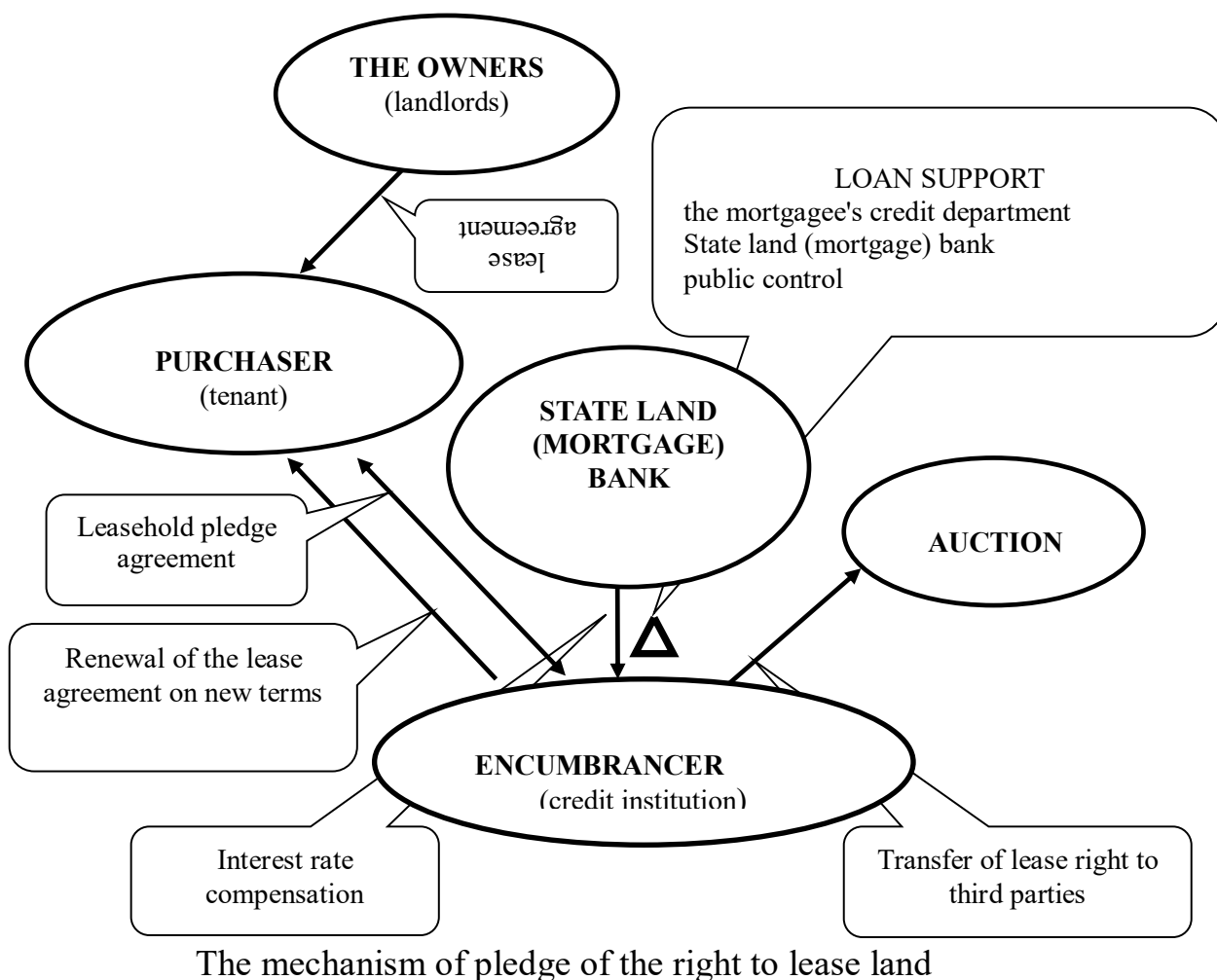


Fig. 2.2 The mechanism of pledging the right to lease land Source: author's research.

"In our opinion, the value of the right to lease a land plot (collateral price), which is the subject of a pledge, in the first stages should be the average profit that can be obtained on it, and in the future - the market value of the land plot" [260].

"In order to implement this mechanism, it is necessary to: make additions to the Land Code and the Law of Ukraine "On Land Lease" regarding the pledge of the right to lease them; in the lease agreement, provide for collateral mechanisms and assignment of the right to lease land shares (shares) and land plots for obtaining loans; create a full-fledged land market, a clear, transparent and effective system of

state registration of rights to immovable property, legal and economic prerequisites for the full functioning of the mortgage securities market, work out this mechanism on the basis of pilot projects based on several districts, adopt the law on "On pledge of the right to lease land", which will provide banks with a clear recognition of the rights to the objects of pledge and will make it impossible to pledge the same plot multiple times and will expand the possibilities of mortgage lending; "About the State Land (Mortgage) Bank",

Agricultural holdings are practicing wide introduction of new technologies and quality management systems, improving the qualifications of employees, improving agricultural production management systems, the result of which should be stabilization, and in the future - increasing production volumes and improving the quality of products and expanding sales markets.

Global trends and domestic potential allow Ukraine to realize its potential as an agricultural country and in the near future become one of the leading exporters in the food market and produce about 60 million tons of grain per year. Such volumes of production become real provided that new investments are attracted to agriculture and the development of new forms of management - agricultural holdings, which will allow the country to realize new export opportunities, contribute to the development of all branches of the agricultural sector, the development of rural areas and infrastructure, the creation of new jobs, and also increase guarantees of the country's food security.

In order to stimulate the attraction of investments in agricultural production, it is advisable: at the state level to introduce: financial support for agriculture in the form of long-term loans, to create a land bank; develop a scale of motives for investors, first of all, those who will develop the social infrastructure

of the village, investing in its development [285]; conduct a land inventory - according to experts, more than 40% of the land areas of settlements and 30% of non-agricultural land are considered uninventorized, which leads to irrational and non-targeted land use [127]; to legislate the limitation of the size of land plots in the same hands by adopting the law "On the State Land Cadastre".

2.2. Organizational and economic model of construction of agricultural holdings

The development of organizational and legal forms in agriculture is carried out under the influence of the approval of various models. The steady growth of demand for food products required the search for new approaches, in particular, the concentration of capital in the form of the creation of agroholdings, which, as a rule, cover the entire production cycle and are characterized by a purposeful reproduction of the industry on a new technological, organizational and economic basis (Fig. 2.3).

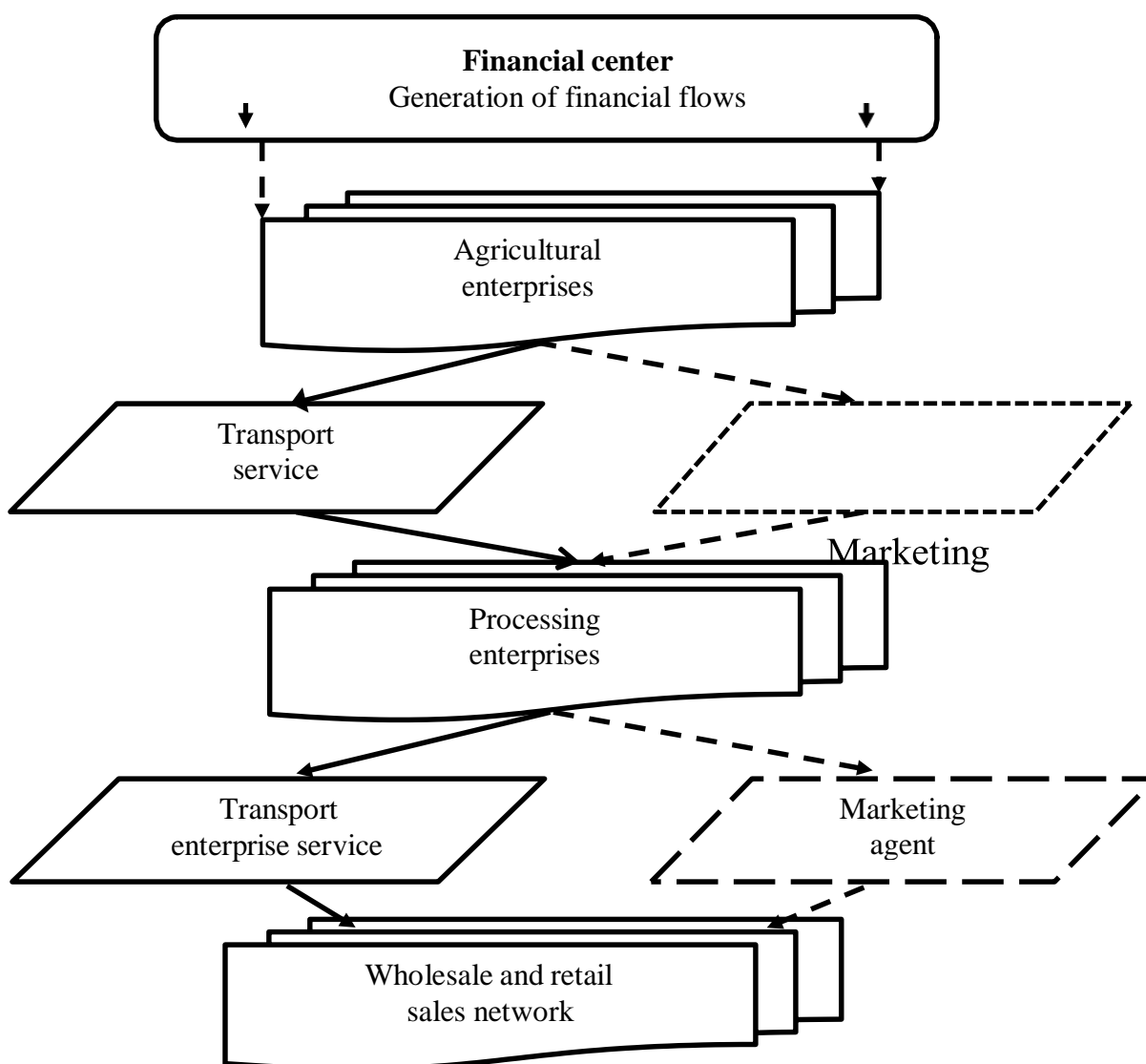


Fig. 2.3. The general scheme of the agricultural holding

Source: author's research.

The classic structure of an agricultural holding includes separate elements that perform certain functional loads that depend on the features and specifics of its activity. One of these elements is a financial center that generates financial flows. It is a key element that works on attracting investments and their effective distribution

between production links and economic structures that are part of the agricultural holding.

The components of this formation are directly agricultural and processing enterprises, organizations of wholesale and retail trade. Sometimes the elements of the agricultural holding are suppliers and contractors of material and technical resources. In some cases, they can act as initiators of the creation of integrated associations of the holding type. However, in practice, mainly the initiators of the formation of agricultural holdings are processing enterprises that unite the production of raw materials (agricultural enterprises), supply of resources and logistics. There are cases when the founders or initiators of the creation of agroholdings are financial structures, as a result of which financial agroholdings are formed. In domestic practice, financial structures, as a rule, provide their services to agricultural holdings on a contractual basis. Financial and investment institutions,

The core of the organizational model of any agro-industrial formation, including an agroholding, is the managing (parent) company that manages and coordinates its activities. The sphere of management and coordination extends directly or indirectly to all components of the agricultural holding.

The formation of holdings is based on the economic processes of capital concentration and centralization, integration, merger and acquisition. The main tools of expansion remain the reorganization of enterprises, obtaining orders from owners (mergers of enterprises, mergers of enterprises), the purchase of a significant share of the capital (controlling stake) (Table 2.4).

Table 2.4

Types of integration and their features

Indicator	Type of integration		
	Separation, isolation	Absorption, acquisition	Association
Features integration processes	<p>Disconnection of the links of the agro-industrial chain. Separation and separation of enterprises will be used in the case when it is more profitable to separate any function, stage of production, business process into an independent business unit</p>	<p>The main reasons for the merger of companies are economies of production scale (reduction of production costs per unit of production), strengthening of market positions, diversification and improvement of creditworthiness, improvement of management quality, legal, social and tax aspects.</p> <p>In order to optimize the agro-industrial chain, a horizontal merger can be carried out within the link, that is, a merger of enterprises working in the same industry. To optimize the chain within the framework of several functionally different links, it will be advisable to carry out a vertical merger, that is, a merger with a business related to the sequence of the technological process of production. The merger effect implies that the value of the experienced enterprise as a result of the merger exceeds the value of the two enterprises before the merger</p>	<p>The main prerequisite of the association is the maximization of synergistic effects in the field of production, processing, transportation and sale of products and their delivery to the final consumer in the form of a finished product: the scale of concentration of capital and production capacities; wide possibilities of production diversification; coordination of joint activities, joint solution of common tasks and problems; certain stability against market fluctuations; redistribution of investment resources, their concentration on the most profitable areas with a high return</p>
Characteristics of the process	<p>When the enterprise is divided, it completely ceases its activity and transfers the rights and obligations to the newly created enterprises. When separating a part of the enterprise, it transfers only part of its rights and obligations to the newly created enterprise</p>	<p>Types of merger:</p> <ol style="list-style-type: none"> 1. Merger or merger of a company of a similar profile. The goal is to obtain ready-made production areas, capacities, patents, licenses, and know-how. Optimization of a link in the agro-industrial chain; 2. Merger or merger of a firm of a different profile. The goal is vertical integration or diversification. Optimization of several links in the agro-industrial chain; 3. Acquisition of a department, branch, branch network, sales network. Purchase of a package of shares, including controlling shares. The goal is to acquire ready-made production areas, patents, licenses, know-how or vertical integration 	<p>Enterprises can join associations (unions), concerns, consortia, industrial holdings, financial and industrial groups, clusters, inter-industry, regional and other associations</p>

"Depending on the goals of the company, the specifics of managing agricultural holdings develop in the area of "effective business - social responsibility to the employee - social responsibility to society" [149].

"The main tasks in the formation of an agricultural holding are to ensure the coordinated activity of all organizational and legal economic structures participating in the organizational and technological cycle of the production of certain types of finished products, the economic and social interest of each partner in obtaining a high final result, better organization of the agricultural market" [18]. This issue is solved thanks to the establishment of effective management of production processes by means of planning, budgeting, controlling production processes and developing constructive proposals regarding directions for increasing its efficiency.

The management system of holdings in the vast majority consists of two control centers: financial and production. The basis of the organization of economic activity is the planning and budgeting of processes with the control of the use of funds during the reporting periods.

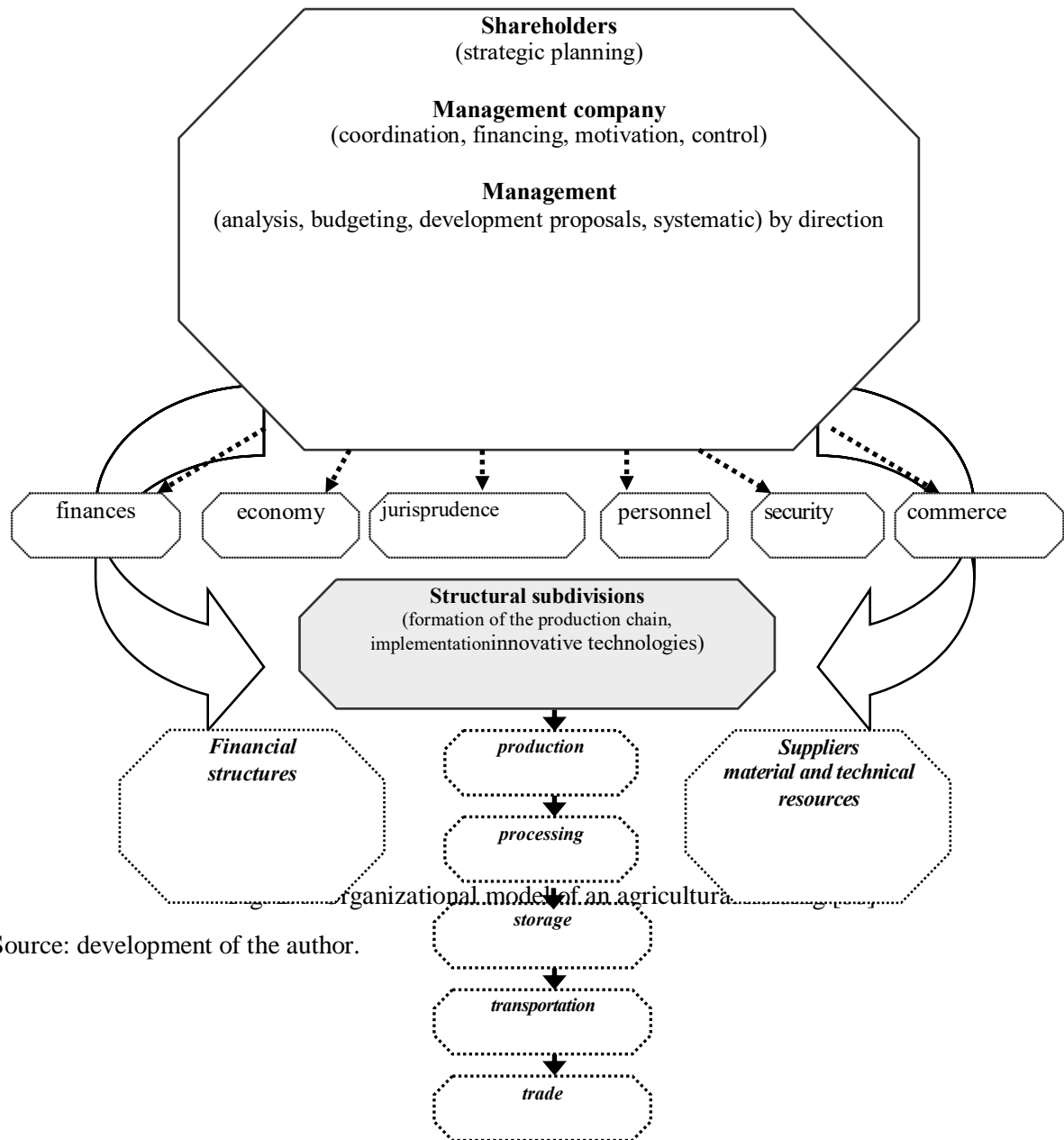
To build an effective company, there must be a philosophy of the company's development, its strategic goal. The basis of the effective development of the business structure is the creation of a full-fledged team, which should implement the business psychology of the owner.

Depending on the assigned tasks, the coordinating departments conduct economic, social, environmental and other studies with the preparation of relevant recommendations aimed at achieving the organization's goals: substantiating the economic efficiency of investments; implementation of informational and advisory activities; conducting marketing, economic and scientific research; performance of research, development and design works in promising areas of science and technology, promotion of introduction of innovations in production; development of methodological recommendations for increasing the stability and optimization of the production, financial and economic activities of the members of the association; organization and holding of advertising campaigns and events, exhibitions, meetings, scientific symposia and seminars; provision of consulting services for members of the association,

In addition to the function of planning and directly controlling production processes, the management company carries out coordination regarding the movement of financial flows, providing the association with qualified personnel, conducting scientific research within the association. Scientific and innovative activities are carried out on the basis of own or engaged consulting or innovative enterprises. In order to develop new innovative technologies, project scientific groups are working to fulfill the tasks set before them, aimed at improving the work of the association and increasing the efficiency of its activities. In particular, innovation and investment centers are assigned the function of selecting promising innovative projects, rejecting weaker ones or rejecting less priority areas.

Special attention in the management of production processes is given to the financial and economic service, which implements the following tasks: formation of a unified economic policy in the areas of planning, regulation, motivation and complex economic analysis of the production and economic activity of the association as a whole and of separate divisions in particular; determination of ways to improve the efficiency and profitability of production; strengthening control over the implementation of the resource and energy saving policy in project documentation; application of highly effective technologies, equipment, structures, materials, compliance with general economic and industry norms. One of the main ways of solving these problems is the development of a budgeting system and the preparation of a production and financial plan of the enterprise's activities and its control during reporting periods.

A detailed description of all the above-mentioned aspects, reflected in the formed agro-industrial association, and their organic relationship conditionally take the form of an organizational model (Fig. 2.4).



Features of the functioning of a specific chain (for certain goods, works, services) and the coherence of its links have a decisive influence on the level of competitiveness. Optimizing the agro-industrial chain is a key factor in increasing the company's competitiveness in modern market conditions, the main goal of which is to reduce the price of finished products, goods, works, and services.

The process of optimizing the agro-industrial chain, as a rule, includes several stages.

At the first stage, an analysis of the existing state of the agricultural holding is carried out, all its links are analyzed, the contribution of each of them to the increase in added value is assessed, the distribution of the profitable and expendable part among individual links is checked. Special marketing research can be conducted to identify sources of added value.

At the second stage, possible options for optimizing the production chain should be considered. In general, there are two types of optimization of the agro-industrial chain - within the links and between them. Optimization in this case should be understood as: activities aimed at improving the efficiency of the process; introduction of new products or improvement of existing ones; change of activities; association with other links of the chain; separation of business units into independent units; transition to another value chain.

It should be noted that there are structural differences in the creation of added value in the links of the chain. For example, with a relatively small gap in the level of wages with accruals by enterprises and the size of the employees' wealth, there may be a fundamental difference in the profitability of enterprises.

Options for optimizing the agro-industrial chain (between links and within each of them) are possible.

Option 1 – unification of the links of the agro-industrial chain (Fig. 2.5). When optimizing the agro-industrial chain, it is necessary to determine whether this or that form of combining links is beneficial from the point of view of saving monetary resources.

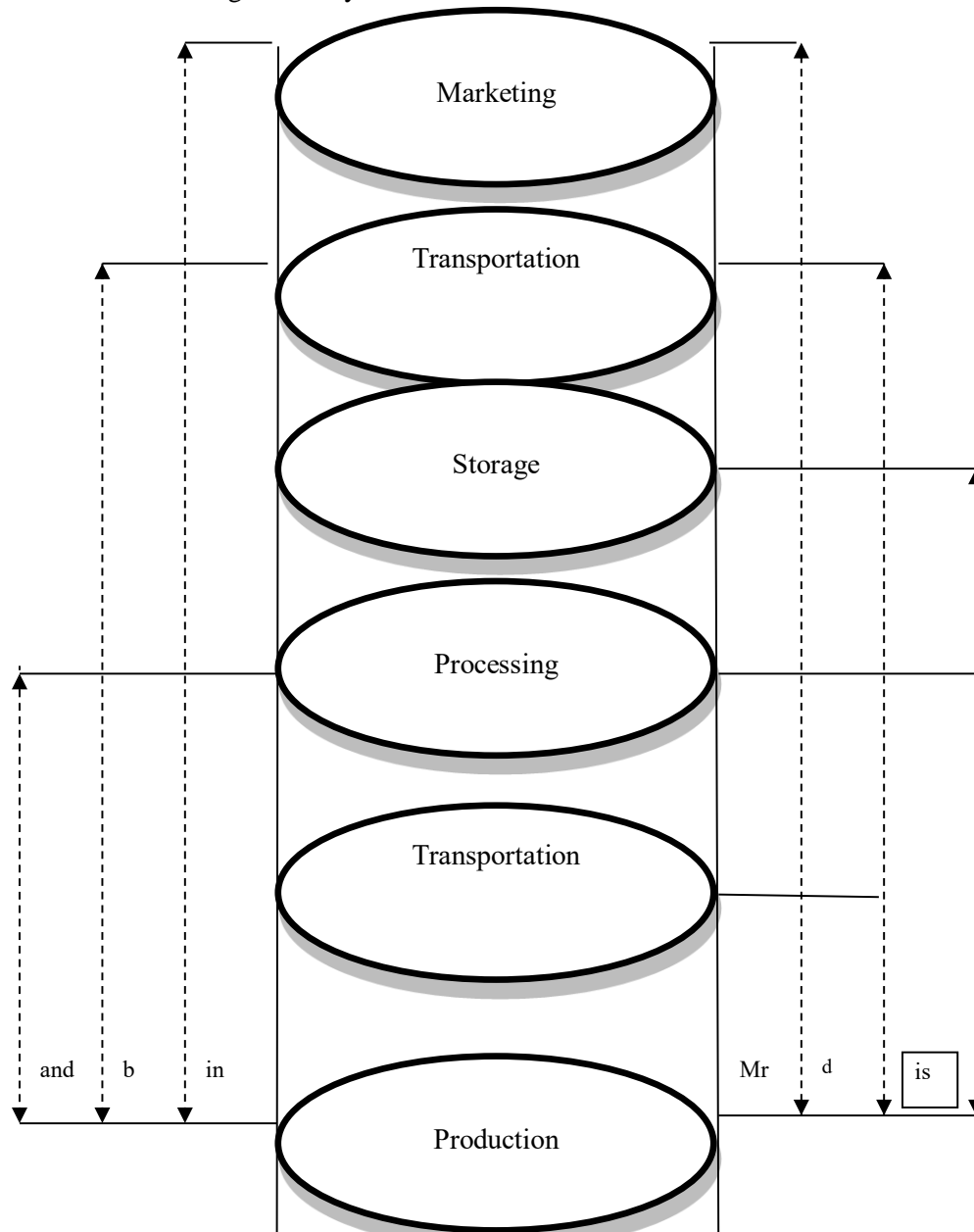


Fig. 2.5. Variants of unification of the agro-industrial chain Source: author's research.

A positive result can be obtained due to the exclusion of the rate of profit from the cost of goods and services (in the case of combining the capital of organizations), as well as due to mutually beneficial cooperation with counterparts (joining industrial unions, consortia, etc.). There may be different options for associations of the agro-industrial chain: a) production-processing; b) production-processing-transportation; c) production-processing-transportation-sale; d) production-processing-storage-transportation-sale (full chain); e) production-processing-storage-transportation; f) production-processing-storage.

Option 2 – consolidation of the link of the agro-industrial chain (Fig. 2.6). In order to obtain the effect of the scale of production, it is possible to combine enterprises, component links of the chain with similar enterprises, that is, with those that perform the same functions, stages of production or technological process.

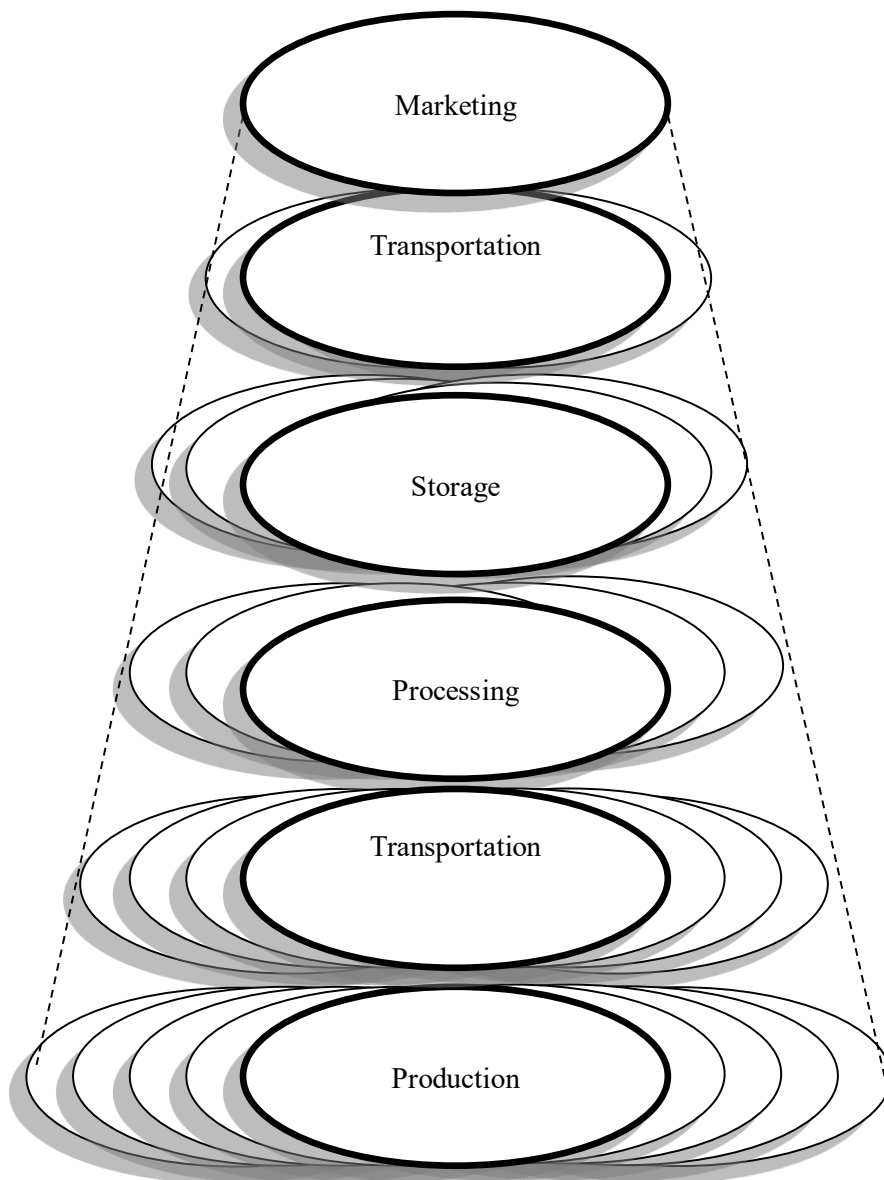


Fig. 2.6. Consolidation of the agro-industrial chain Source: author's research.

Option 3 – "uncoupling" (separation) of the links of the agro-industrial chain. This option is used if there is an economic benefit from this measure. For example,

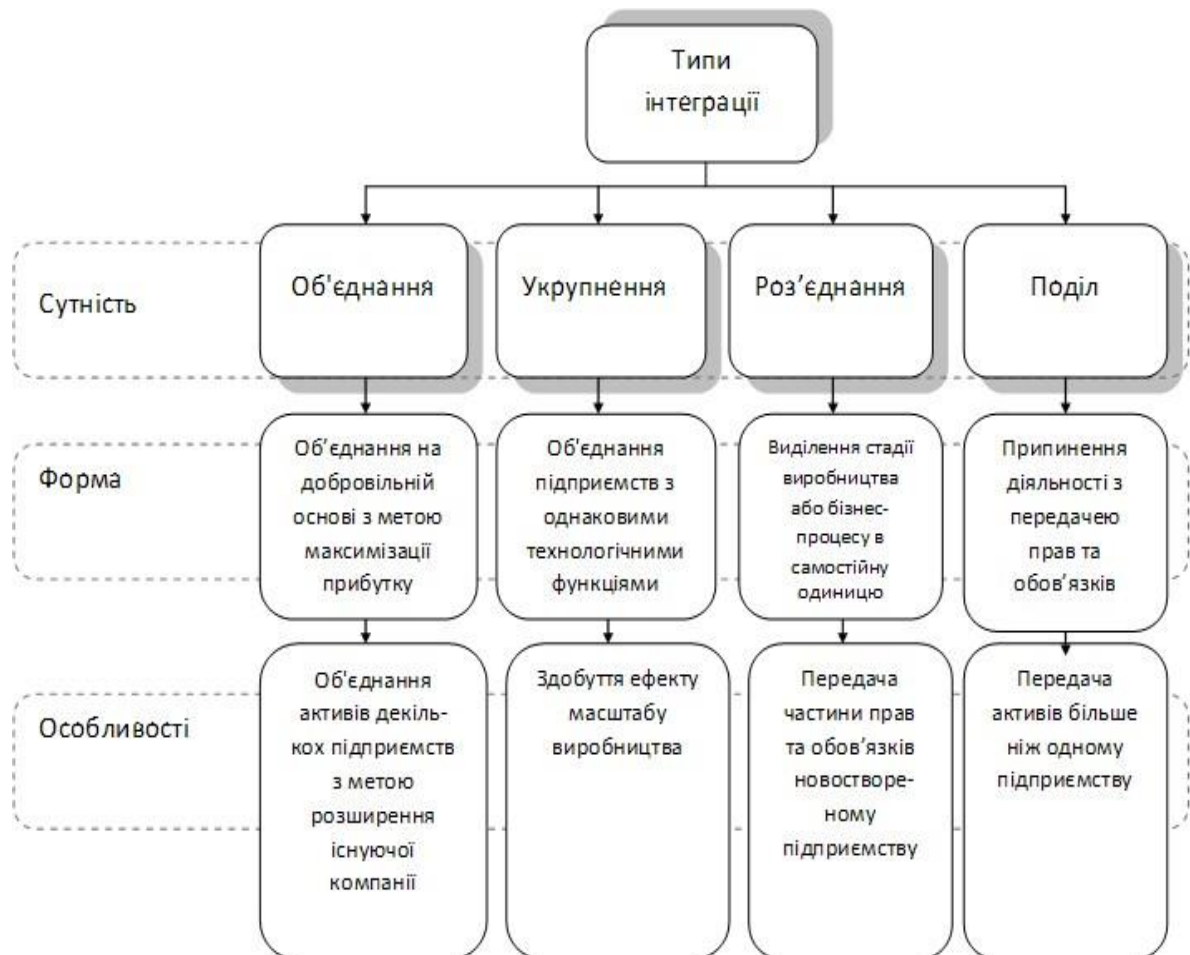
it is possible to replace the services of the company's transport service with the services of a third-party organization, which will reduce costs, etc.

Option 4 – the division of the agro-industrial chain, accompanied by the termination of the activities of the integrated association and the transfer of assets to more than one enterprise. It is observed in cases where the creation of a large agro-industrial chain did not justify itself from an economic point of view.

Optimization of the agro-industrial chain takes place mainly within the agricultural holding. The types of integration for various chain optimization options are shown in Fig. 2.7.

Fig. 2.7. Peculiarities of integration processes in agricultural holdings

Source: author's research.



For an agricultural holding, it will sometimes be more profitable to acquire assets through a merger than to create or develop a new enterprise. Combining liquid assets (cash, stocks of raw materials, materials, finished products) will increase the overall liquidity, financial stability and maneuverability of the agricultural holding. The maneuverability of the united agricultural formation is manifested in the form of an increase in the mass of free working capital, not related to the fulfillment of short-term obligations, which can be used for investment in production.

By merging a loss-making company, an agricultural holding can expand its business and reduce income tax due to the accumulated losses of the absorbed company. Savings are achieved if the company actually being acquired and the "acquirer" are covertly affiliated. The norms of domestic legislation allow such losses to be included in the out-of-pocket costs.

From the point of view of tax optimization, combining several legal entities, each of which is intended for specific purposes (creating a raw material base, processing, production of finished products), into an agricultural holding or a financial and agro-industrial group is the most effective and widespread in domestic practice.

For Ukrainian entrepreneurs, such associations are currently particularly important, as they contribute to the entry into the world economic system, accelerated achievement of the necessary level of competitiveness.

The merger of enterprises into an agricultural holding reduces the probability of the bankruptcy of individual enterprises, which will also have a positive effect on price formation. The general interest of the participants of the agricultural holding will reduce to zero price premiums for products that pass through the technological chain between the participating enterprises. The increase in prices will not be provoked at

the intra-group level between the members of the agricultural holding.

The entry of enterprises into agricultural holdings allows them to expand the sales market, improve the image of the enterprise, and increase competitiveness. The merger of enterprises provides many advantages for the development and protection of business, increasing competitiveness. There are no significant barriers to entry and exit from the association. However, when an enterprise joins an agro-industrial association, the risk of possible absorption of one company by another should be taken into account.

The mechanism of creation of such associations, as noted by Yu.O. Nesterchuk, "presupposes the sequential implementation of a number of stages, in accordance with the goals and external conditions of integration, in particular: defining the goal and substantiating the goals of integrated formation; identification of potential participants, their functions and tasks; the choice of an option for the organizational design of the agrarian-industrial association and production-economic interactions between its participants; construction of an organizational and economic model of an integrated structure, its material, personnel, regulatory and legal basis; settlement of the ownership issue; development of a system of external relations; working out the mechanisms for realizing the economic interests of integration participants" [194, p. 197].

Optimizing the agro-industrial chain can be achieved by uniting enterprises into a territorial production cluster (Fig. 2.8). The concept of long-term socio-economic development should provide financial, administrative and infrastructural support for the formation of high-tech clusters, the promotion of the products of these clusters on the domestic and world markets. The goal of the formation and development of territorial production clusters is the diversification of the economy by increasing the competitiveness of the domestic economy and intensifying the mechanisms of private-state partnership.

A territorial-production cluster may consist of competing enterprises, suppliers of equipment, components, specialized production and service services, research and educational organizations, local self-government bodies, advisory services. The purpose of creating a cluster is the effective interaction of its participants, the expansion of access to innovations, information, technologies, and the reduction of transaction costs.

In addition to domestic enterprises, agro-industrial associations may also include foreign companies. The processes developing in the spheres of the real sector of the economy, communications, trade, movements of flows of direct and portfolio investments in the world financial system cause the transformation of the world economic system into a single, integral organism - the world economy. The global economic space becomes a single field for entrepreneurship, when the geography of the placement of productive forces, the sectoral structure of production investments, and sales systems represent not just a certain level of internationalization of the reproductive process, but its higher phase - globalization. ¹¹² information [215]

At the same time, the importance of the integration process increases in order to ensure the maximum economic effect. Subsystems of the world economy are regional, local associations and groups connected by trade-political and socio-cultural ties.

"The basis of globalization is the internationalization of the reproductive process on the scale of the world economy, i.e. the transfer of the reproductive cycle (the reproductive cycle is considered as science, technology - investments - own production, implementation and service) as a whole or its individual phases beyond the national framework, with the aim of achieving cost optimization and profit maximization" [38]. Some domestic agricultural holdings work according to this principle of building relationships. Internationalization in itself does not involve a fundamental, revolutionary change (method) of the production technology or the technological cycle, but only aims to take it beyond the national framework, with the aim of reducing production costs or transaction costs, getting closer to the sources of raw materials and sales markets for goods, accelerating the provision services or conquest of new niches and market segments. Thus, according to Yu. Shyshkov, "a new historical phenomenon is being born: monostate economic and social organisms (national economies), which are gradually transformed into polystate complexes, remain interstate in form, and increasingly transform into a single economic and social cultural organism" [345]. This is evidenced by the creation of integration groups and associations, including agricultural holding companies, in almost all regions of the world.

The most important subjects of the internationalization of production are transnational companies [32], which are dominant in the markets of oil, minerals, food and agricultural production.

Competitive advantages in the global economy are associated not only with products and technologies, but also with the speed of innovation, production and distribution systems. The main principles of commodity production are freedom of supply and demand, freedom of entrepreneurship and competition, which is the main driving force behind the development of agricultural holdings with the involvement of foreign capital. However, the competition implemented under modern conditions and manifested in the form of mergers and acquisitions and aimed at rationalizing the production process leads to the bankruptcy of individual manufacturers and the reduction of jobs. However, it is the competition, having adjusted the production process and increasing its efficiency, that persistently demands the performance of the "social function" by the business, aimed at eliminating social differences by reducing the burden on the state and the possibility of redistributing state budget funds for the formation of a so-

called social society. However, in our opinion, this is possible only with an appropriate state strategy. Economic progress is assessed not only by indicators of the level, structure, dynamics of production and consumption, but also by the specific weight of the country's participation in the international division of labor and the resources it possesses. In this connection, the indicator of competitiveness of national products is a necessary element. and is determined by the specific weight of the country's participation in the international division of labor and the resources it possesses. In this connection, the indicator of competitiveness of national products is a necessary element. and is determined by the specific weight of the country's participation in the international division of labor and the resources it possesses. In this connection, the indicator of competitiveness of national products is a necessary element.

The Ukrainian economy is characterized by increased competition in the market of goods and services both due to the development of domestic economic structures and the penetration of foreign enterprises. The modern market economy is characterized by a high degree of risks associated with the uncertainty of the behavior of the subjects of the external environment. Such a situation requires organizations and enterprises to find ways to improve the efficiency of their functioning and increase competitiveness.

As a result of the liberalization of foreign economic relations, external suppliers of products with significant raw material and financial potential entered the food market, but previously they did not have access to these markets. A significant part of processing enterprises switched to imported raw materials, thus reducing the sales market of domestic producers of agricultural products and raw materials. As a result, agricultural holdings have expanded the scope, geography of their activities, and industry specialization, extending the sphere of interests not only to highly profitable branches of agriculture, such as grain production and sunflower, but also actively work in animal husbandry, especially in industries with a high short-term return on invested capital (poultry and pig farming).

In this way, integrated agro-industrial associations are created with the involvement of foreign capital, foreign raw materials, equipment, machinery and technologies (Fig. 2.9).

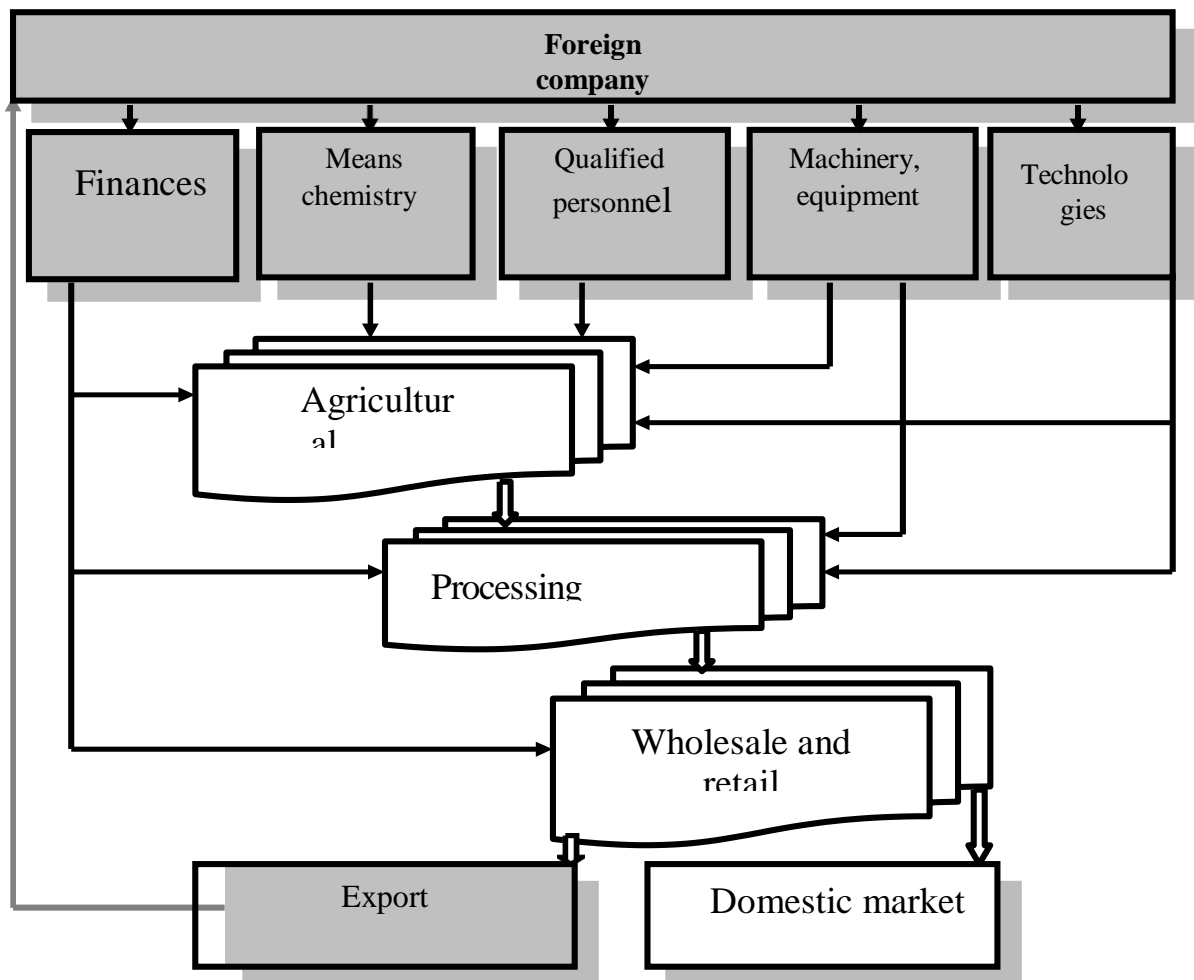


Fig. 2.9. Organizational scheme of an agro-industrial association with the involvement of foreign capital. Such associations, as a rule, try to export part of the produced products to the country where the investments came from.

Processes of capital concentration in agricultural production take place without administrative pressure, taking into account economic expediency. At the same time, the intensive development of agro-industrial integration differs in economic, production, ecological and social nature.

The problems of the effective functioning of the agrarian sphere of the economy are the lack of necessary investment resources, since the formation of vertically integrated entities in the agrarian sphere requires the presence of significant financial investments. At the same time, at the initial stage of economic reforms, there was a significant outflow of capital from the agricultural sector of the economy, which was the result of "price scissors" - there was a break in the economic ties of the agro-industrial complex and, first of all, between vertically interacting producers of agricultural products and raw materials and processing enterprises. One of the reasons for such a gap was the monopolistic position of processing enterprises, which caused negative consequences, including a decline in agricultural production and a decrease in the welfare of the rural population.

The creation of agricultural holdings is a model for the further development of the agro-industrial complex of Ukraine, which will allow to lead it to a qualitatively new trajectory of stable, highly efficient and competitive functioning and to solve priority tasks, namely: the food problem, to achieve rational standards of consumption of basic food products by all sections of the country's population, to increase the export potential domestic agricultural sector of the economy. In addition, this strategy is designed to revive domestic agricultural production, ensure comprehensive improvement, socio-economic and ecologically balanced transformation of rural areas and settlements.

There is a wide spectrum of mutual interests of non-agricultural companies that have come to work in agriculture, and regional authorities concerned with the development and implementation of programs to support the agricultural sector and the development of rural areas.

The reasons leading to structural changes include: management; efficiency; access to finance; scale effect; advantages of vertical integration; arrival of powerful investors. And the factors of economic interest in the formation of these processes are taxation; state support programs; financing; transaction costs; cooperation with the authorities; technologies. At the same time, it should be noted that the possible consequences of structural changes may be: an increase in the cost of rent, attracting financing, improving the prospects for productivity growth, potentially higher land prices due to increased demand, attracting personnel, potentially investing in the development of rural areas, changing the structure of markets, changing the structure of production, increase in unemployment, curtailment of non-core activities.

The introduction of vertical integration will ensure a guaranteed supply of raw materials; optimization of costs for it; consolidation in sales markets; consolidation in the land rental market; diversification of financial support opportunities. Such integration will contribute to attracting investments, improving technologies, developing infrastructure, increasing labor productivity, and optimizing financial results of business.

Along with this, it is necessary to point out the problematic issues arising in the activities of agricultural holdings, in particular, the management of cash flows and taxation, the legal and social insecurity of rural workers, the union of only the necessary production units, the creation of a high level of social tension in rural areas.

In Ukraine, the following types of creation of holding structures can be distinguished:

- penetration of industrial capital into agribusiness and management of agrarian business according to the holding principle (Smart-holding);
- penetration of agrarian capital into the processing industry, when agricultural enterprises begin to control the activities of processing enterprises due to ownership of a controlling stake;
- creation of holdings by enterprises engaged in material and technical supply for the agricultural complex (Rize-Agro, Agrosoyuz);
- investment of bank capital in the agricultural sector and the creation of agroholdings, which by structure can be classified as financial holdings.

Summarizing the experience of functioning of integrated structures in the agrarian sector of the economy allows to determine the main trends of their development and the problems arising in this connection.

Members of the association gain access to new opportunities, which strengthens their competitive positions, leading to increased profits and sales volumes. Local self-government bodies, thanks to the improvement of the financial condition of the enterprises in question, increase tax revenues and, in addition, the need for social costs decreases.

Financial institutions, primarily credit institutions, benefit from associations, because the risk of non-repayment of loans issued to the enterprise decreases, as agricultural holdings master new technologies in management and production, strengthen their competitive positions, reach a higher level of development, and move from mutual competition to mutually beneficial cooperation.

The local community receives new jobs, fills the local budget, and as a result, solves social problems.

The industry as a whole benefits from an improvement in the trade balance, an increase in income, and a reduction in unemployment.

For the owner of the capital of the agricultural holding, it is first of all: successful resolution of

issues of legalization of capital and assets, minimization of costs, growth of capitalization, optimization of the taxation system; protection of assets in case of raider attacks; the ability to give a group of companies a name; formation of a positive creditor history of the firm, conducting an audit; the ability to own assets centrally and openly. The holding is an ideal platform for listing a business on the stock exchange to receive investments, helps attract strategic investors and partners. Allows you to leave a structured and established business to descendants, reduce risks, if necessary, facilitates the sale of the business at a fair market price. However, when creating agricultural holdings, problems arise, in particular:

- the parent company receives unlimited economic powers, and the structural units lose not only their legal independence, but also a significant part of the means of production;
- there is a conflict of interests between the investor and the local community, caused by the reduction of certain productions, in particular, animal husbandry and the payment of taxes to the budgets of the territorial community at the place of state registration of the investor, which leads to a reduction in revenues to local budgets;
- for various reasons, not all agricultural holdings start production activities on leased lands in full or in part in the first year;
- technical re-equipment of production is accompanied by optimization of the number of employees; at the same time, not always enough attention is paid to the social factor in relation to the adaptation of laid-off workers, to an individual approach to their possible employment in other positions.

In order to resolve misunderstandings during the creation, functioning and liquidation of agricultural holdings, to increase the efficiency and "transparency" of their activities, it is expedient to conclude agreements between interested parties, i.e. between the managing organization-investor and agricultural enterprises joining the agricultural holding and territorial bodies, already in the preparatory period of the organization of such formations authorities. The main principles of such agreements are parity participation and equal economic benefit from joint production, agreement of actions and efforts of partners, optimal combination of economic interests and responsibilities of the parties, the possibility of administrative control over the effective use of natural and production resources, compliance with environmental standards, participation of agricultural holdings in the development of the social sphere villages [19]. To increase the efficiency of holdings, it is necessary to:

- in order to prevent conflict situations, create a procedure for consideration of proposals, statements, complaints between the management company and ordinary employees;
- to form a legislative framework that will regulate the activities of agricultural holdings;
- in order to eliminate disputes between agricultural holdings and local communities regarding the payment of taxes, it is advisable to make clarifications to the Economic Code of Ukraine regarding the territorial character of the structural subdivisions of the enterprise, namely: to indicate that the structural subdivisions of the enterprise must be located according to the location (within the territorial community of the same name) of the enterprise - a legal entity, which will allow filling the revenue part of local budgets and implementing social programs.

2.3. Formation of land use of agricultural holdings

In the market economy, every enterprise strives to achieve maximum profit. Therefore, the hectare involved in production must be profitable. In this regard, the formation of the optimal size of enterprises from the point of view of management and organization of production is an important task of economic science.

The size of agricultural holdings is formed under the influence of many factors: the goals and objectives set by the economic entity; natural conditions; proximity to transport routes and sales markets; specialization, technological equipment, production technology; ways of forming start-up capital; methods of carrying out industrial and economic activities; forms of production organization.

The agriculture of Ukraine has undergone significant structural changes. The processes of reorganization of collective enterprises were accompanied by the fragmentation of land massifs and property complexes [239]. On average, farms in the steppe zone have the largest areas of arable land – 4–6 thousand hectares, and

smaller ones – farms in the forest-steppe zone – 1.5–3, sometimes 4–5 thousand hectares; even smaller in Polissia and in the western regions of Ukraine.

During the years 2001–2009, trends towards an increase in the size of agricultural enterprises with an area of more than 5,000 hectares were observed. If in 2001, only 5.3% of the land belonged to enterprises with an area of more than 8 thousand hectares, then in 2009 such enterprises concentrated their production on the area of 20.5% of agricultural land (Fig. 2.10).

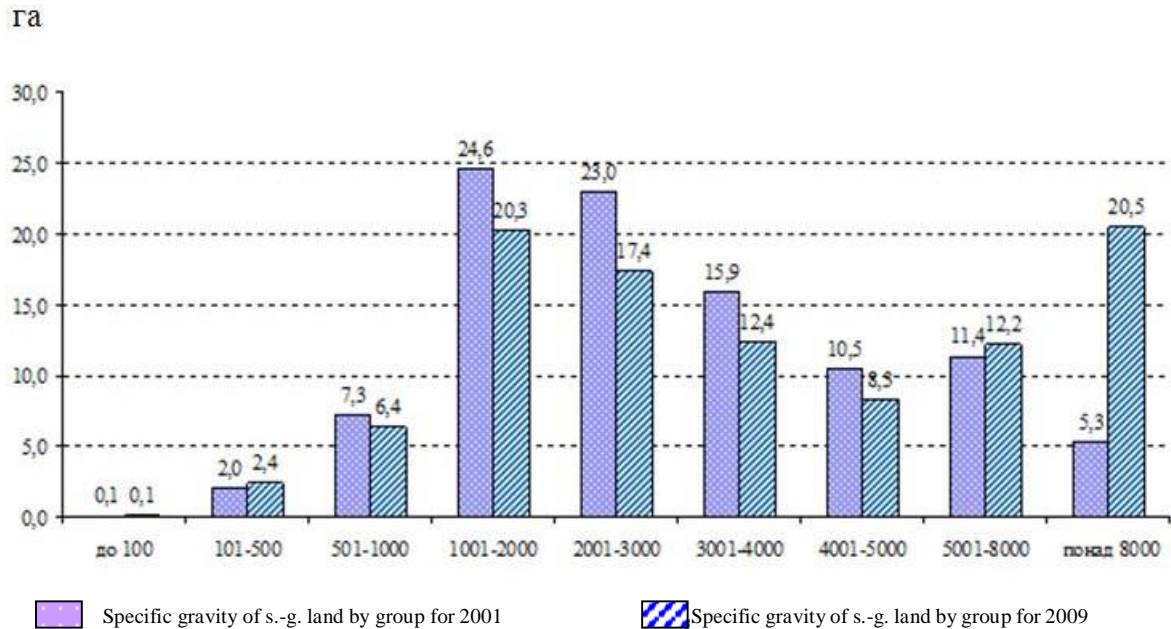


Fig. 2.10. The dynamics of land use sizes of agricultural enterprises in 2009 compared to 2001.

Source: author's research

The increase in the size of enterprises is largely due to the concentration of capital in agricultural production in the form of the creation of agricultural holdings, which, unlike small enterprises, introduce new technologies into production, attract qualified personnel, develop infrastructure, diversify risks and control costs at all stages of the formation of added value of products - from the primary stage of production to the final consumer. All this opens up wide opportunities for increasing production efficiency, further increasing accumulations as the main factor of extended reproduction.

In the near future, an increase in the number of agricultural holdings and an expansion of their area due to farms engaged in extensive agriculture is predicted. By 2015, due to the increase in cultivated areas and the use of innovative farming systems, at least 60–70 million tons of grain per year can be harvested in Ukraine with a yield of 5–7 tons per hectare [148].

An increase in the size of land uses allows more rational use of agricultural machinery, reducing the influence of the human factor on the production process.

If we consider the production of agricultural products as a whole, the production of 78.4% of vegetables and fruits, 62.6% of meat, and 42.8% of milk, 43.4% - cereals and 41.2% - industrial crops. The specialization of structural divisions of large companies is formed based on the main type of activity of the parent company (sugar, grain, milk). At the same time, the focus is on the formation of highly specialized, highly industrialized production with a clear export orientation. Data analysis (Fig. 2.13) shows that the group of enterprises with an area of more than 8,000 hectares, whose land use in the total area of land use increased by 15% during 2001–2009, produces the largest specific weight of products, compared to other groups of enterprises similar in area. In particular, 56.4% of sugarbeets, 26.5% of cereals and 21% of industrial crops are produced here, which is an average of 12% more, compared to the similar area group. In general, there is a tendency to increase production volumes with an increase in the size of enterprises. Analysis of data from the statistical reporting form No. 50 s.-y. makes it possible to characterize the level of production in each of the groups in various ways. The development of animal husbandry in the group with an area of more than 8,000 hectares is approximately the same as in the entire set of enterprises. The group produces 21.4% of milk and 19.5% of meat, which is 5 and 13% more in the total specific weight of production, compared to the group with a similar area (Fig. 2.11). Small businesses have significant employment opportunities in the field of vegetable

growing. Therefore, it is necessary to increase the share of intensive production in the agricultural sector.

Consolidation of enterprises should take place in the direction of strengthening vertical integration and improving an effective business model due to the accumulation of unique experience and the introduction of innovative technologies.

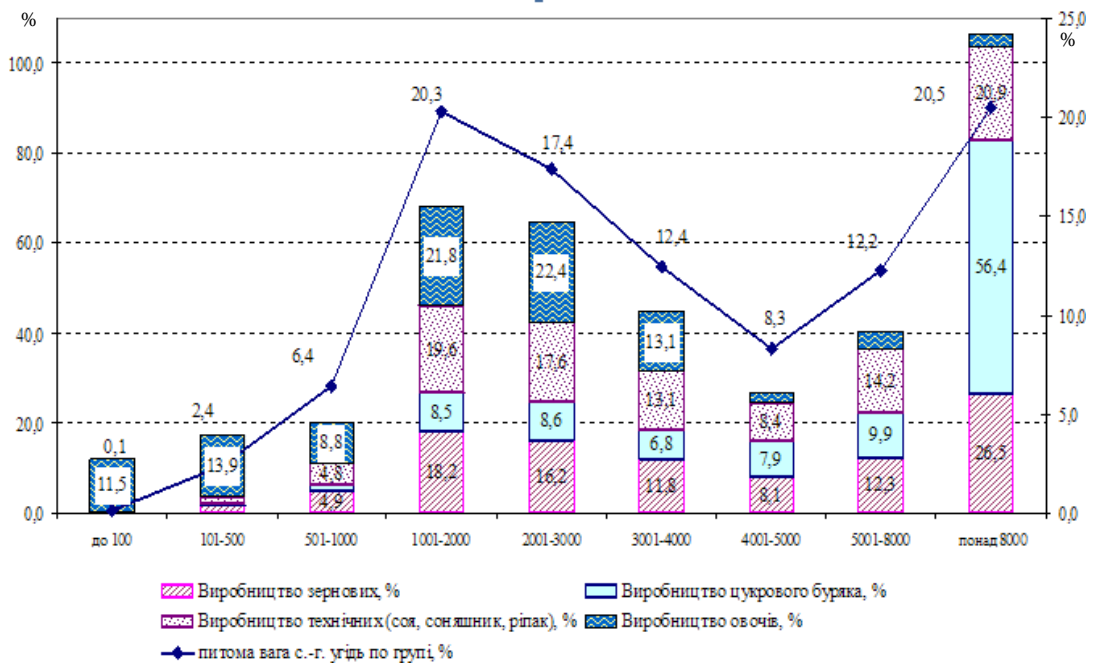


Fig. 2.11. The specific weight of crop production depending on the size of land use of agricultural enterprises,% (2009)

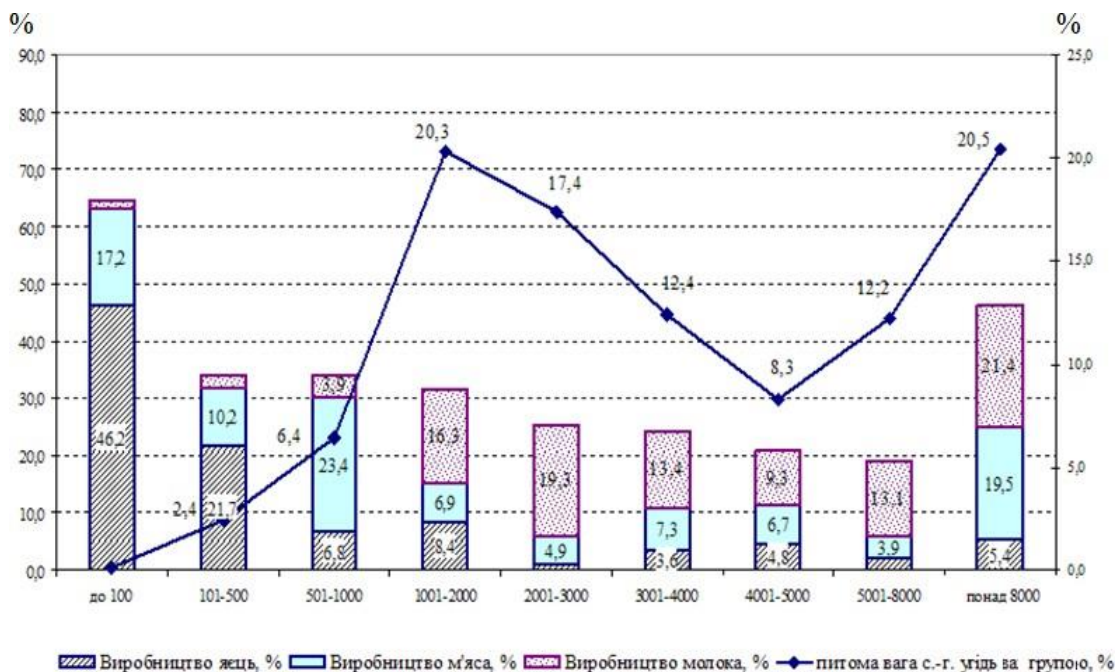


Fig. 2.12. The specific weight of production of livestock products by categories of enterprises depending on the size of land use, % (2009)

Source: author's research

In order to study the influence of factors on the formation of the size of land use on the production data of agricultural enterprises of Ukraine, which are reported in the form of 50 s.-y., a sample of 9,242 farms working on leased land was formed.

The analysis showed that there is a close relationship between the growth of land use and economic

efficiency indicators of agricultural production. The calculations shown in fig. 2.13, show that with an increase in the area of the enterprise, there is a tendency to increase sales revenue, gross production, and cropproduction profit per 1 ha of arable land. Thus, for a group of enterprises with an average size of 20,000 hectares, the revenue from the sale of plant products, based on 100 hectares of arable land, is UAH 397, compared to UAH 183 for a group with an average size of 750 hectares.

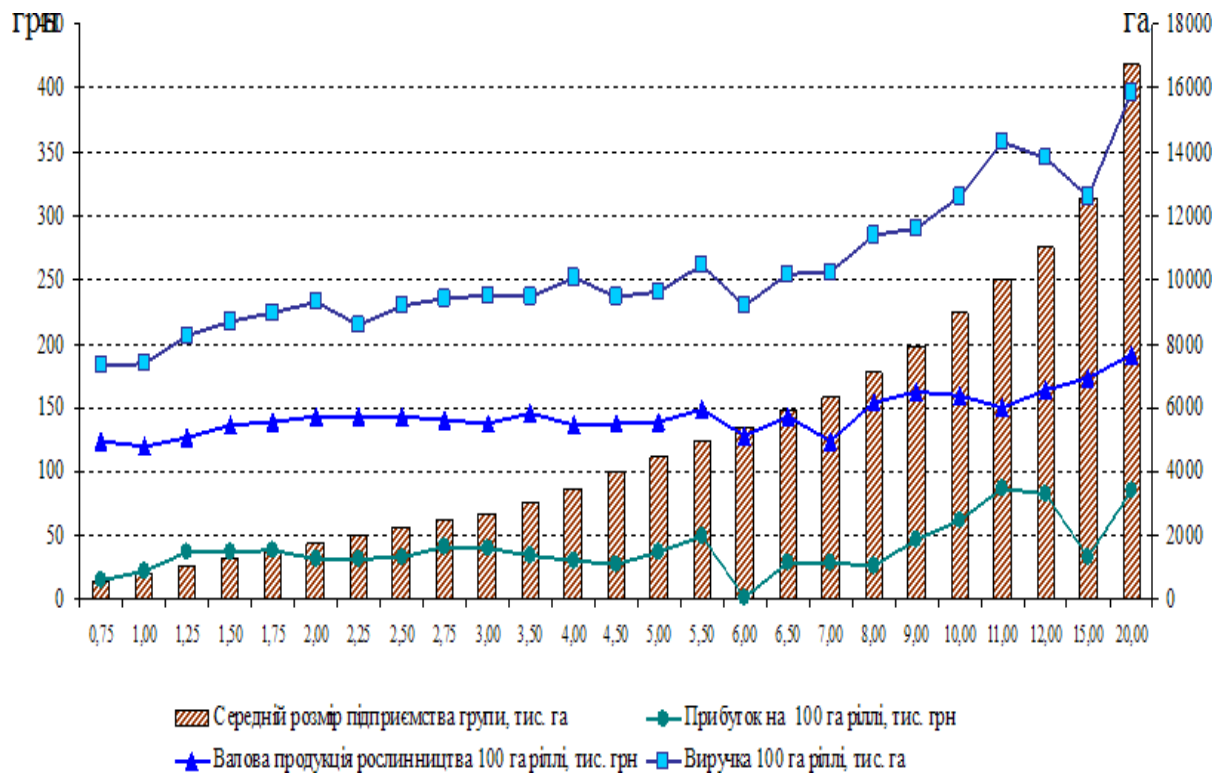


Fig. 2.13. Efficiency of agricultural production depending on the size of land use of agricultural enterprises in 2009.

Source: author's research.

With the help of groupings, the dependence between the size of land use and the output of gross production, revenue and profit per unit of area was established. However, for a detailed analysis and study of the degree of influence of each of them, we conducted a correlation-regression analysis. The dependence of the production of gross crop production (Y1), revenue from the sale of crop production (Y2) and profit of crop production (Y3) per 100 ha of arable land on the influence of the factor of the size of the arable area (X) was established.

To do this, the parameters of the equation of the form were estimated:

$$Y = a_0 + a_1 X$$

According to the results of the calculations, the relationship between the productive features and the size of land use is expressed by linear regression equations:

$$Y1 = 127.377 + 0.0033 X;$$

$$Y2 = 194.695 + 0.0122 X;$$

$$Y3 = 23.138 + 0.0032 X.$$

All coefficients of the regression equation have a positive sign, which indicates a direct relationship between the variables.

The coefficient of multiple correlation (R) is $R1 = 0.849$, $R2 = 0.9519$ and $R3 = 0.6514$, which characterizes the relationship between the values of the function and the independent variables as close. The coefficient of multiple (cumulative) determination (R^2) is 0.7216, 0.906 and 0.4243. This means that 72% of the variation in the value of the gross crop production per 100 ha of arable land, 90.6% of the increase in revenue from the sale of crop production and 42.4% of the profit per 100 ha of arable land in the conducted study is due to the increase in the size of land use. According to Fisher's test, the equations are statistically significant: estimated value of Fisher's coefficient $F1 = 59.6$; $F2 = 221.9$ and $F3 = 16.95$ more than the table value of the coefficient with a probability of 0.95 $F_{gr} = 4.3$.

Regression coefficients are prone to fluctuations in small samples, so they should be checked for significance in the case of a linear relationship. We check the significance of the regression coefficients using the Student's t-test. Tabular value of Student's coefficient with probability $P = 0.95$, $T_{gr} = 2.07$. According to the conducted research, the value of t-characteristics is 7.72; 14.9 and 4.1 and exceeds the critical value of the Student's t-test, which means that the coefficients of the equation with the X variable are statistically significant.

The value of the coefficient of the regression equation ($a1 = 0.0033$; $a2 = 0.0122$ and $a3 = 0.0032$) determines the coefficient of increase of the Y variable when X increases by one unit relative to the average.

According to the research of scientists of the Institute of Agrarian Economics, "when forming the size of economic formations in crop production, it is advisable to take into account the factor of rational use of a complex of technical means that ensure the implementation of technological operations in agriculture. An important condition should be the establishment of appropriate proportions between land use, productive assets and the availability of labor. For example, in the forest-steppe zone, the optimal area of arable land for agricultural enterprises is 3–5 thousand hectares" [185].

"In animal husbandry, the method of determining the rational size of beef and pork farms involves, firstly, taking into account the actual level of production efficiency depending on the level of livestock concentration, and secondly, the use of the calculation method of optimality. For the Polissia zone, profitable livestock and pig farming is ensured with an average annual livestock of 3–6 thousand cattle and 6–12 thousand pigs on farms. The number of livestock kept by farms that specialize in the production of livestock products also depends on the size of land use" [199]. At present, most companies, when forming the structure of fodder lands, proceed from the calculation of 1.1 ha per cow with a plume.

The objective technical and economic advantages of large-scale production over small-scale production are: a higher level of labor productivity; lower costs per unit of production; savings in capital and operating costs per unit area; greater opportunities for rational organization of production, use of technology, achievements of science and progressive practice; storage and sale of products in better terms and of higher quality, etc. However, the increase in the size of enterprises and their divisions cannot be unlimited. Ensuring efficient production must be achieved by harmonizing the balance between economic activity and the land's ability to reproduce.

The tools that will contribute to the formation of the optimal size of the enterprise and the effective use of resource potential include: the introduction of a system of planning and budgeting of production processes, scientifically based crop rotations, the removal from circulation of unproductive and degraded lands.

The size of the enterprise depends on the goals that the company sets for itself and the ways of their implementation in a specific socio-economic environment; ways of forming start-up capital; methods of carrying out industrial and economic activities; forms of production organization. Studies show that with an increase in arable land by 1 ha, the gross crop production per 100 ha of arable land will increase by UAH 3.3, sales revenue by UAH 12.2, and profit by UAH 3.2. When forming land massifs, the company must be guided by the principle of economic expediency, which will allow to obtain the maximum profit with a minimum of costs, without disturbing the balance between economic activity and the ability of the land to reproduce.

Land is the main wealth of the Ukrainian people, its investment reserve and guarantor of national

security and further economic development of the state. In the conditions of the primary accumulation of capital, it is especially important to work out the mechanisms of its economic regulation and protection of the interests of the peasant owners. The land lease mechanism fully allows investors to be sure of their future.

The formation of land massifs of agricultural holdings takes place on the basis of land lease. Preference is given to medium- and long-term leases for a period of 15 to 25 years. Such terms guarantee investors a return on their investments and minimize the risks associated with the renegotiation of land lease agreements.

Criteria for the formation of structural subdivisions of agricultural holdings are the condition and value of property complexes, territorial location and quality characteristics of land, availability of infrastructure and transport arteries, provision of specialists capable of solving tasks. Taking into account these circumstances, there is an increase in competition in the market at the points of conflict of interests, the result of which is an increase in rents. In some cases, it is almost 2 times higher than the minimum guaranteed by the state.

The generally recognized reasons that restrain their development are: the uncertainty of the prospects of the domestic land market; unresolved land disputes, imperfect legal framework; unstable agrarian policy; unjustified government intervention in business; lack of a strategy for the development of the agro-industrial complex for the future; excessive regulation of business. The process of consolidating farms and creating agricultural holdings on their basis began to manifest itself especially vividly in 2001–2008. The vast majority of agricultural holdings are subsidiaries of foreign agricultural companies, as well as enterprises that are part of Ukrainian financial and industrial groups [126].

In Ukraine, official statistics of agricultural holdings are not kept, given the wide geographical location of the lands included in each specific holding, so it is only possible to determine their area approximately. As of January 1, 2011, more than 24% of arable land is under the control of agricultural holdings of Ukraine. Among them, we should highlight: "Ukrlandfarming plc", which leases about 430,000 hectares of land; LLC "Ukrainian Agrarian Investments" - 330 thousand hectares, LLC "Myronivskiy Hliboproduct" - 280; "HarvEast" (JSC "MMK named after Ilyich") - 238 thousand ha; LLC "Astarta-Kyiv" - 230 thousand hectares; CJSC "Agroton" - 150 (Fig. 2.14).

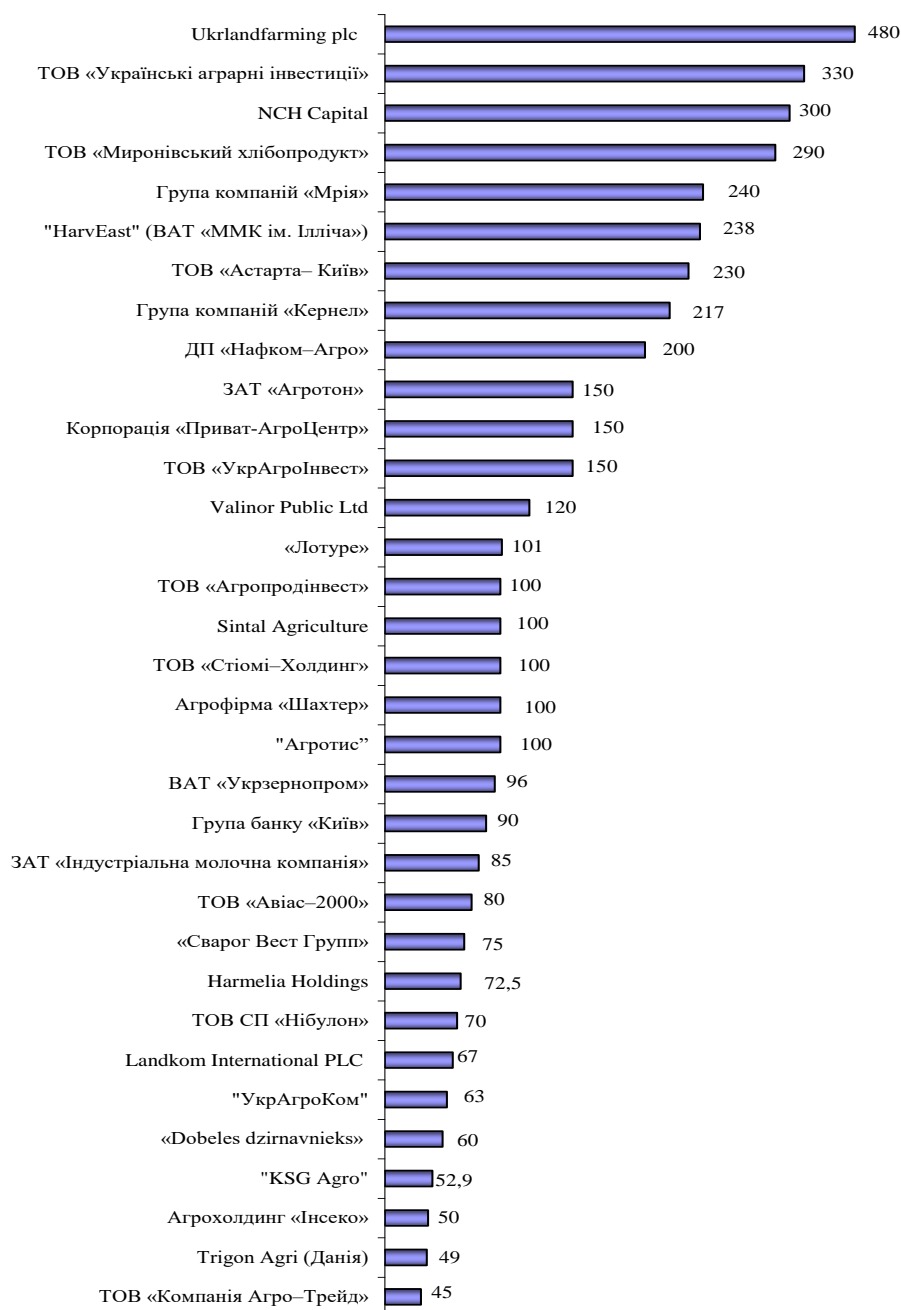


Fig. 2.14. The largest agricultural holdings of Ukraine, thousands of hectares

The main criteria for the formation of a land massif for sugar growers are the fertility of the lands and their maximum proximity to the sugar mills, which, from the point of view of transportation, should not exceed 90 km. This criterion is followed by holdings whose agricultural production is aimed at providing processing capacities with their own dairy raw materials, although the qualitative characteristics of the soil are not a determining factor. In this case, attention is drawn to the presence of a sufficient number of natural fodder lands and the formation of an appropriate fodder base. Companies whose activity is based on the production of plant products followed by their processing or export place their main bet on the fertility and proximity of land to transport arteries, in particular, railway stations and elevators.

In general, optimal, from the point of view of management and organization of production, in most agricultural holdings is a structural subdivision, the size of which is up to 5 thousand hectares of land.

Investors concentrate their assets in the most profitable regions of the country, which allow them to get the maximum profit from agricultural production. At the same time, preference is given to the long-term lease of land for a period of more than 10 years and the purchase of complete property complexes. The result is increased competition in the land rental market and an increase in rent.

The process of land concentration in the hands of large companies occurs due to a decrease in the number of "independent" small and medium-sized agricultural enterprises.

Land redistribution is characterized by the transfer of corporate lease rights between large farms and agricultural holdings and increased competition in the land lease market. Studies show that agricultural holdings plan to expand land use areas. Even under the conditions of lifting the moratorium, the mass purchase of land is unlikely, given the large financial costs and organizational difficulties [122].

Agricultural holdings introduce modern methods of automated production control and

management, based on "precision farming" technologies, which allow: to obtain reliable information about the area, the nature of land use and its regime; on the basis of cartographic material, determine the exact dimensions of fields and the area of land use, create thematic maps (soil, productivity, relief, road, legal, accumulation of water flows) and form a passport of the field and the land massif as a whole on this basis; increase the efficiency of the use of agricultural machinery due to the reduction of costs during soil cultivation due to the exclusion of skips and zones of double cultivation; to reduce costs in the operation of technical means due to the optimization of movements, control over the location and fuel consumption;

Despite the positive trends in the development of agricultural holdings, studies show that some companies, for example, LLC "Ukrainian Agrarian Investments", CJSC "Agro-region" for various reasons, or partially, did not start production activities on leased land in the first year (Fig. 2.15). . To a large extent, this is caused by production problems, taking into account the mainly plant-based direction of economic specialization of the holdings and the seasonality of agricultural production; organizational - related to the formation of separate structural divisions and the expansion of territories in order to improve the capitalization of the company and prevent competitors in the conditions of undervalued land and positive trends in the world markets of food products; commercial - anchoring in land rental markets and expectations, related to the lifting of the moratorium on the purchase and sale of agricultural lands; legislative - the absence of fines for lack of production activity.

A significant part of investors, creating structural subdivisions based on agricultural enterprises, pay taxes to the budgets of the territorial community at the place of their state registration, which leads to a reduction in revenues to local budgets. In order to eliminate these disproportions, it is advisable to make clarifications to the Economic Code of Ukraine regarding the territorial characteristics of the structural subdivisions of the enterprise, namely: to indicate that the structural subdivisions of the enterprise must be located according to the location (within the territorial community of the same name) of the enterprise - a legal entity. This will make it possible to fill the revenue part of local budgets and implement social programs.

The state position on the issue of effective use of agricultural land should be aimed at establishing a legal norm of fines for non-use of land. Useful in this is the historical experience of Ancient Babylon, in particular, the study of the laws of Hammurabi, according to which, in the event that the field was not cultivated for a year, the law forced the tenant to pay the owner a rent at the level of 33-50% of the harvest and to carry out the main cultivation of this field. and if the field was not cultivated for 3 years, in addition to the first two items, the tenant was additionally forced to "measure 10 grains of grain for each grain of the field."

Most agricultural holdings do not separate agricultural production into a separate type of business, so they will finally be formed after the moratorium on the sale of land is lifted. There are both supporters and those who are against lifting the moratorium. The former hope to quickly buy up land, the latter to continue this process in order to concentrate larger areas and restrain competition from financial and industrial groups, banks, foreign companies and funds.

The next stage of the formation of agricultural holdings will be the optimization of their size. Further consolidation of agricultural lands into massifs with an area of 300–400 thousand hectares or more is unlikely for Ukraine. Taking into account the experience of Russia, we should expect the reduction of land massifs and the formation of economic formations rational in terms of size and management system up to 100 thousand hectares of land [339].

"Land relations are social relations regarding the ownership, use, disposal and management of land at the state, economic and intra-economic levels as an object of management and a means of production in agriculture" [324].

The right of ownership and the possibility of its implementation is a determining criterion in matters of increasing the efficiency of management. The effective symbiosis of labor, land and capital markets in the developed countries of the world makes it possible to attract significant credit resources to agricultural production and creates favorable conditions for its development. "Yes, in the USA, mortgage loans account for almost 70% of all lending volumes in agriculture. In 1999, the amount of mortgage loans in the USA reached 3.5 trillion dollars." [151]. This is achieved thanks to the ability of business entities to exercise their right to land ownership. As a result, production efficiency increases, labor productivity increases, new jobs are created, and new technologies are introduced into production. "Yes, the availability of tractors per 100 hectares of arable land in the agriculture of Ukraine is 1, 3, while in the USA – 3.0, France – 8.6, Germany – 20.3. In Ukraine, up to 30 kg of the active substance of mineral fertilizers is applied per 1ha, in Germany - 420 kg, in France - 294 kg" [250].

Mortgage relations are a defining feature of the financial and economic mechanism of countries with a developed market economy. They act as a guarantor of the fulfillment of obligations between subjects of market relations. The introduction of the mortgage lending market in Ukraine requires legislative and organizational support, which on a comprehensive basis will regulate the creation of a unified state system of

registration of ownership rights to immovable property and their restrictions, the introduction into economic circulation of mortgage securities - mortgage and mortgage deeds, the functioning of the land cadastre, the creation State Land (Mortgage) Bank and Credit History Bureau." The research of domestic scientists convinces that the most effective for Ukraine is the two-level model of functioning of the mortgage lending market, which provides for the presence of primary and secondary markets. The first is characterized by relations regarding the provision and repayment of mortgage loans in the mortgage creditor-borrower plane. The essence of the operation of the second is to refinance the activities of mortgage lenders on the primary market by issuing mortgage securities, selling mortgage assets to specialized mortgage institutions or pledging these mortgage assets to attract refinancing loans [16].

In the development of land masses of agricultural holdings, an important place is given to the development of the land market. The concept of the land market is not reduced only to buying and selling, but has a much broader understanding, which includes a set of categories related to solving the problem of land valuation, including land in economic turnover, building a system of price, tax, credit support, improving regulatory and methodological basis of development of land relations.

In Ukraine, private ownership of land and its lease has been revived by law, which makes it possible to optimize the size of land use of newly created agrarian formations. Currently, short-term leases with a term of up to 5 years prevail, long-term leases with a term of more than 6 years account for 45.3%, while its share increased by 32.2% between 2000 and 2009 (Table 2.5). From the position of the owners, who expect better rental conditions, such terms are justified. However, from the point of view of the organization of stable production, short-term rent is an obstacle to capital investments in long-term land improvement.

Table 2.5.

Conclusion of lease agreements and rent for land in agriculture

Indicator	Ukraine		
	2000	2010	"+, -"
<i>Specific weight of concluded lease agreements by subjects, %</i>			
With enterprises where a land share was received	85.2	39.8	-45.4
With farms	4.3	14.3	10.0
With other subjects	10.5	45.9	35.4
<i>Specific weight of lease contracts by their validity periods, %</i>			
For 1–3 years	45.7	8.5	-37.2
For 4–5 years	41.2	46.2	5.0
For 6–10 years	11.3	33.9	22.6
More than 10 years	1.8	11.4	9.6
<i>Payment for the lease of land plots and land shares (shares)</i>			
The total amount of payments, in accordance with the concluded lease agreements, million hryvnias.	1589.3	5278.2	3688.9
<i>Of them by forms of rent, %:</i>			
monetary	13.9	27.9	14.0
natural (farming products)	77.4	68.7	-8.7
Working	8.7	3.4	-5.3
Fee for 1 ha per year, UAH.	73.6	303.4	229.8
Actually paid since the beginning of the year, %	65.7	93.8	28.1

The amount of the rent is determined based on the monetary valuation of the land and is regulated by Decrees of the President of Ukraine. Monetary assessment of 1 hectare agricultural land in Ukraine amounts to UAH 10,707. The total amount of payments under lease agreements in 2009 reached UAH 5.27 billion, and the average annual rent was UAH 303.4 per hectare. Almost 64% of landlords are pensioners.

Leasing land relations is the most effective tool in the formation of land massifs of agricultural holdings. Relatively small, compared to other countries, rental payments in the range of 50–80 dollars. The US per hectare per year allows agricultural holdings to form desired, from the point of view of management, structural subdivisions and spend money on their modernization.

In global practice, leased land relations have confirmed their effectiveness as an effective mechanism that allows the owner to receive stable dividends, and the tenant to save money on the purchase of land, instead investing it in the modernization of production. In particular, China is developing agriculture on state-owned land based on long-term leases. In the Netherlands, public land is leased by farmers, however, here land is a commodity and can be bought for \$50,000/ha with a hefty tax, or leased for \$200. for a year. A similar system operates in France, where the son often rents land from his own father, since the purchase is much more expensive [32]. Each country has its own approach, but there is something in common, first of all,

Rent payments in agro holdings are paid on time, debt is not allowed, the main motivation is to receive state subsidies and a satisfactory audit opinion at the end of the year, to improve the status of the company when attracting investments. The reserve for increasing the amount of rent is profit maximization, which is possible by protecting the national producer from the shipment of imported food products on the domestic market.

In countries with a developed market economy, the dominant share of agricultural land is in circulation on the land rental market and only 3% is bought or sold, in particular, in the USA and Ireland - 1.2%, Great Britain, France and Italy - 2.0%, Germany, Holland, Belgium - 1.5–2.5, in Denmark - about 4% of the land fund [368]. The advantage of renting is primarily due to the fact that farmers do not have enough funds to purchase land and the possibility of more rational use of capital to modernize production.

"In the global practice of the development of lease relations, the following types of lease relations are distinguished: lease based on labor participation; for animal husbandry; on the basis of share participation in the harvest; on the basis of participation in the net income and rent according to the principle of fixed payments" [99].

In European countries, more than 42% of land is cultivated thanks to the use of land lease mechanisms. The rent is paid at the level of 260 dollars. US per hectare of land or 0.8 tons of wheat. The structure of contracts is dominated by long-term leases for a period of 9 years or more. "The high level of rent in the developed countries of the world (in the USA - 195, Germany - 260, the Netherlands - 652, Japan - 1,685.7 dollars per 1 hectare) is primarily due to the high yield of land. For example, in Japan, on the basis of 1 hectare, products are produced for 11,250 dollars, in the Netherlands - 8,900 dollars, in Germany - 2,650 dollars, while in Ukraine - only 272 dollars. One worker employed in agriculture in Denmark and France provides food for 40 people, in Germany - 50, in Canada - 55, in the USA - 80, in Belgium - 100, while in Ukraine only 15 people. At the same time, plowed land in Ukraine is 78%, while in England - 30%, USA - 36%, France - 57%, Germany - 61%" [6].

State policy in the field of land relations is of great importance for the formation of land massifs of agricultural holdings. The priority of agrarian policy is to protect and create favorable conditions for the work of tenants as direct producers of agricultural products. In particular, they are provided with long-term guarantees of ownership of the cultivated land and preferences regarding the purchase of land from the owners. At the state level, the attraction of capital from other areas of the economy to agriculture is stimulated. For example, the following measures have been tested in the Czech Republic in order to stabilize land use and support tenants: a long-term land lease agreement with a difficult mechanism for its early termination, concluding lease agreements not with a specific owner, but with their association. The purchase and sale of land is regulated in detail. So, it is forbidden to sell the land to foreigners and to change its intended purpose. There are state programs in the country to support the purchase of land by peasants, providing them with interest-free long-term loans in the amount of up to 80% of the land value.

In the developed countries of the world, land relations are under the close control of the state. "In Germany, Great Britain, Greece and Luxembourg, the principle of agreement of the parties prevails, in France, Belgium, the Netherlands, Italy, Spain and Portugal, the state actively intervenes in the regulation of lease relations in terms of land transfer. The land owner appropriates land rent in the form of rent. It is a fee for permission to conduct business activities on land" [168]. The perspective of the development of land use of integrated associations in Ukraine is the introduction of a model of medium and long-term lease with subsequent renegotiation of the agreement, inheritance of the right or purchase of land. If the moratorium is lifted and the sale of land is implemented, it is advisable to apply a scale of motives and restrictions on their resale.

Further effective development of agricultural holdings requires significant funds in the form of medium and long-term loans. One of the ways to obtain them is the introduction of a mechanism for pledging the right to lease land. The object of the pledge may be the right to lease, which belongs to the lessee according to the lease agreement. In this case, the main documents are contracts: lease, credit, pledge of the

right to lease land, insurance. The State Land (Mortgage) Bank can regulate mortgage operations, carry out mortgage lending, issue mortgage bonds and control the movement of land and the targeted use of funds, carry out information, advisory and consulting work. Funds from the State Customs Service and the Pension Fund of Ukraine, as well as proceeds from the privatization of strategic enterprises, can be used to service the bank at the initial stages. Under market economic conditions, pledge transactions, in particular pledges of land lease rights, should be implemented by commercial banks. An important condition for this should be a state guarantee of interest compensation through a specialized bank.

Problematic issues in the expansion of land massifs of agricultural holdings are cases when:

- ❖ lease agreements do not undergo state registration, and in those that have, the registration record does not allow judging by which body and when the registration was carried out;
- ❖ the contracts do not contain all essential conditions and annexes to them, and at the same time, the conditions of the contracts have not been reviewed for a long time;

– the lease of land shares (shares) has certain risks in connection with the need to renegotiate lease agreements after the owners receive state deeds for the ownership of the land plot; short-term lease of land shares (shares) is a potentially problematic moment in connection with the need to renegotiate lease agreements after the owners receive the deeds for the ownership of the land plot. Since the procedure for such renegotiation is rather ambiguous, there are risks that contracts will not be renegotiated;

– renting unclaimed units is risky, as there is a possibility of early termination of the rental agreement.

The inviolability of private land ownership is a defining attribute of a democratic society. At the same time, the politicians of the countries of the European Union are currently fighting to limit the rights of private owners, subordinating the benefits from the use of land to the interests of the local community and society and giving maximum possible preferences to direct producers of products (tenants).

The state policy of Ukraine in the field of land relations should be aimed at protecting the interests of domestic producers and preserving domestic agricultural production, since the country's food security depends on it, and hence its sovereignty. Unmotivated imitation of the standards of the Western economy, without taking into account national characteristics and legislative justification, can lead to the decline of the Ukrainian countryside, will lead to the gradual transfer of Ukrainian lands through third hands to foreign citizens.

In order to preserve existing enterprises at the state level, it is necessary to initiate the allocation of long-term loans to them for the purchase of land within the limits of which they conduct production and to legally regulate their preferential right to purchase these lands. Increase the maximum permissible area of land that can be privately owned.

To improve the efficiency of agricultural production, it is advisable to develop a mortgage lending system. This requires legislative and organizational support, which will regulate the creation of a unified state system of registration of ownership rights to immovable property and their restrictions, the introduction into economic circulation of mortgage securities - mortgage and mortgage deeds, the functioning of the Land Cadastre, the creation of the State Land (Mortgage) Bank and Bureau credit histories.

To improve the process of formation of land massifs of agricultural holdings, it is necessary to:

- ❖ to improve the procedure and system of maintaining the state land cadastre and land monitoring and to provide landowners and land users with information about soil quality;
- ❖ to form an effective functioning mechanism of a full-fledged, state-regulated market circulation of agricultural lands;
- ❖ conduct an inventory of land;
- ❖ to develop a mechanism for including the value of land in the economic turnover and its legal support;
- ❖ to improve the legal and socio-economic mechanisms of effective implementation of property rights on agricultural land;
- ❖ to develop a new method of normative monetary valuation of lands taking into account market factors;
- ❖ to improve the system of state management of land resources;
- ❖ to improve the economic mechanism of regulation of land relations through price regulation of the market turnover of land plots;
- ❖ to develop mechanisms for using leased land as collateral, in particular, collateral for the right to lease land, which will contribute to attracting additional credit resources to agricultural production;
- ❖ to introduce a program of reproduction of soil fertility, which involves the greening of the use of leased lands and the removal of degraded and unproductive lands from intensive use;
- ❖ introduce economic stimulation of rational use and protection of agricultural lands;
- ❖ to ensure state control over measures to preserve and restore soil fertility.

The incomplete solution of the problem of land relations at the current stage complicates the

development of the agrarian sector of the economy. In particular, the unresolved issues are: state management of land resources; strengthening of corruption; lack of measures regarding perspective planning of stable development of the territory, lack of optimal models of agricultural land use, which leads to the emergence of peculiar latifundia, mainly with foreign investments. Under these conditions, foreign companies can become users of large land massifs. Thus, Landkom International plans to increase the area of leased land to 600,000 hectares, Concord Capital – to 200,000 hectares [55]. At the same time, it is important to protect the national interests of the state and prevent inappropriate use of agricultural land.

To complete the land reform in Ukraine, it is necessary to: introduce the agricultural land market, implement measures in the field of land ownership and forms of land management; to form a competitive environment and implement comprehensive protection and guarantee of the rights of peasant landlords; create a single system of land rights movement; to increase the rent in accordance with economic growth, to extend the terms of lease agreements, to create conditions for the rational use of land.

Implementation of the mentioned areas of land reform development will enable agricultural holdings to rationally, highly efficiently and environmentally safe use of agricultural land, preserve and increase their productive potential; implement new export opportunities of the country; promote the development of all branches of the agricultural sector and the rural area; create new jobs, increase guarantees of food security of the country.

The introduction of the land market will allow agricultural holdings to use land as collateral and an asset during capitalization and will be an additional incentive to attract investments.

Improvement of land legislation is a guarantee of further effective development of leased land relations. Despite the adopted draft laws, issues related to the implementation of their rights by the subjects of lease relationships, the development of mortgage lending, increasing the efficiency of land use and improving their fertility, and removing unproductive and degraded lands from active turnover remain unsettled. This requires the urgent adoption of laws and amendments to already existing draft laws, in particular, the adoption of the Laws of Ukraine provided for by the Land Code: "On the State Land (Mortgage) Bank".

2.4. Features of the development of agro-industrial integration at the current stage

One of the important components of the national economy is the agro-industrial complex, the main purpose of which is to provide the population with high-quality food products and obtain positive economic results from the activities of agricultural enterprises. In the conditions of market relations, an important factor in the effective functioning of the agro-industrial complex remains the creation of integration formations, which include the process of production, its further processing and sale.

The agro-industrial potential of Ukraine makes it possible to provide food for a population three times larger than its own. Colossal material and technical, human and land resources are concentrated in this area. It is possible to implement these opportunities in market conditions of business thanks to the implementation of fundamentally new approaches to the organization of production and forms of business.

The formation of agricultural holdings involves the combination of agriculture and industry on a new resource, technological and organizational basis, the goal of which is to achieve synergistic effects and build a closed production cycle, create new types of products and develop new sales markets.

In recent years, there has been a need to create a closed cycle of development, namely: the combination of agricultural production with processing and sale, because this is the only way to obtain competitive products, improve the results of production activities, minimize the intermediary influence on the formation of added value and direct the obtained margin to the needs of the development of the industry. It is considered possible to implement this issue thanks to the development of agro-industrial integration and the formation of vertically integrated structures of market orientation with the delivery of the finished product to the final consumer, the strengthening of the mutual interest of the integration subjects in obtaining the result. Therefore, the advantages of agricultural holdings are undeniable.

Academician of the National Academy of Sciences of Ukraine I.I. Lukinov noted that scientific and technical progress, the development of equipment and technologies came into conflict with sectoral fragmentation and economic universalism. On this basis, new theoretical views emerged and developed regarding the objective necessity of forming optimal production structures, deepening the specialization of farms, rational dismemberment of the reproduction process into theseparation of stages with current machine technology and their synthesis at the level of inter-farm cooperation, and in the future - at the higher degrees of agro-industrial integration [51].

The main competitive advantages of agricultural holdings compared to other agricultural formations, in

particular:

- ❖ minimization of product losses thanks to the introduction of modern methods and technologies in the collection, storage and processing of agricultural products;
- ❖ more effective use of available resources due to obtaining synergistic effects of building a closed production cycle;
- ❖ the possibility of attracting cheap credit resources on international stock exchanges;
- ❖ provision of guaranteed supplies creates conditions for influence on the supplier regarding the level of quality, efficient use of resources and minimization of stocks; facilitating access to "know-how" that integration partners have, joint creation of new products; creation of price advantages in the distribution system.

Important aspects of the development of agricultural holdings include the creation of motives for domestic and foreign investors: use of the potential of a foreign partner for production; development of new trade channels; updating the technical and technological base by using advanced foreign equipment and technologies; increase in product exports and decrease in national imports; receiving converted currency; obtaining additional financial and material resources; use of foreign management experience.

Motives for the arrival of foreign investments: conquest of new markets; reduction of capital costs for the creation of new capacities; acquisition of new sources of raw materials and renewal of the production base; continued use of equipment and technologies that are at the last stage of their existence; use of cheaper labor and resources; the ability to avoid cyclicity or seasonal instability of production; increasing the effectiveness of existing marketing.

The formation of production on a new technological, resource and organizational basis allows agricultural holdings to obtain a better financial result compared to other agricultural enterprises and creates additional sources for the implementation of social projects, which is an important element of the development of rural areas in the conditions of long-term underfunding of this area and as a result of improving life and recreation of workers and residents of settlements within which companies conduct production activities. At the same time, the prestige of agricultural work increases, new jobs are created, and social infrastructure develops.

In these conditions, the psychology of society changes, a new economic system is created, focused on the revival of domestic production, with the interest of each of the process participants in the final results of the activity. The formation of this environment requires time and the consolidation of significant resources: the restoration of technological armaments of agricultural production, new developments in science and technology in matters of genetics, selections, the introduction of new technological methods and methods of management, finally, the solution of social issues of the development of rural areas, without which it is impossible to provide personnel issues to ensure production with qualified specialists. An important issue in this context is the construction of a closed production cycle and the development of vertical and horizontal integration processes both at the level of households and agricultural enterprises, the introduction of product quality standards, the establishment of protective barriers against imported products and the conquest of new sales markets for own products. Agricultural products are a kind of "oil" of Ukraine, which can ensure its stable and effective development in the long term.

Over the past few years, agroholdings have expanded the scale, geography of their activities, and industry specialization, extending the sphere of interests not only to the traditionally highly profitable branches of agriculture, such as grain production and sunflower, but also actively working in recent years in animal husbandry, primarily in the fields with a high short-term return on invested capital.

The holdings brought with them to the village not only capital, but also the basic ideology of business, new technologies and new management.

According to the principle of construction, holdings can be classified as follows: diversified; vertically integrated; mountains are zonally integrated, mixed, i.e. simultaneously vertically integrated and diversified.

The creation of agricultural holdings is due to the need for raw materials for their main production; informal intervention of the regional administration in the activities of private companies; the need to control the process of agricultural production to return previously issued loans; profitability of production for capital investment and return on investment; the need to expand sales of its products; expanding the scope of the company's activities to reduce financial risks; expectations of secondary property redistribution; the need for food supply for company employees included in the group; tax benefits.

In the conditions of the development of market relations in agriculture, the processes of capital concentration and the formation of agricultural holdings on this basis began. These processes were not widely publicized. The formation of agricultural holdings took place in an evolutionary way and was to a large extent determined by the restoration of broken inter-industry ties. As a rule, the initiators of the creation of agricultural holdings are processing enterprises.

The analysis of the development of holding structures in the agriculture of the Zhytomyr region

allows us to conclude that more than 42%, or 291.6 thousand hectares of arable land, is cultivated thanks to the involved investments (Fig. 2.16). At the same time, during 2007–2009, this indicator increased by 24%. In 2007, wages

in the farms included in the associations increased by 12.1%, in 2008 – by 36%, in 2009 – by 62%, compared to the industry average, and in 2009 it was UAH 1,202 per employee. Financial receipts to local budgets increased by 18.4% in 2007, by 39.3% in 2008, and by 71.7% in 2009.

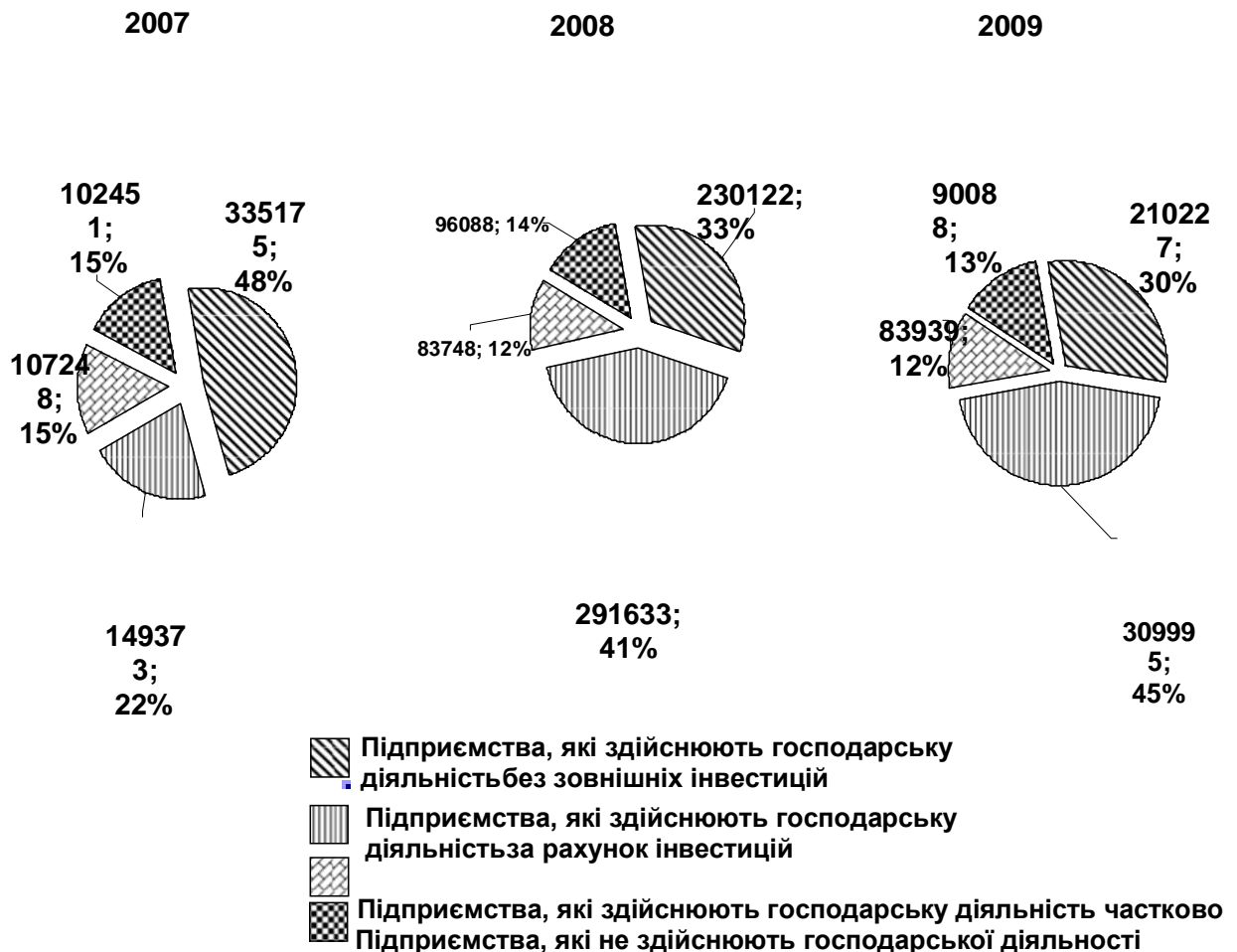


Fig. 2.16. Changes in the land use structure of agricultural enterprises of the Zhytomyr region in 2007–2009.

Source: author's research.

Based on the natural-climatic and soil conditions of the region, we can generally conclude that the specialization of the Polish regions of the Zhytomyr region should be aimed mainly at the production of meat products, and in the forest-steppe regions, at the cultivation of grain crops. As already noted above, this state of affairs in Polissia is due, first of all, to the removal of significant arable land from intensive cultivation, followed by their transfer to fodder lands and under afforestation. As for the forest-steppe, relatively small massifs of eroded land are mainly removed from arable land, which has little effect on the structure of agricultural land and the specialization of farms in general.

Zonal holding structures cover 68% of the forest-steppe zone of the region, 29% of the transitional zone, and 35% of the Polissia. Their share in the production of products of agricultural enterprises is more than 55%. In the vast majority of the forest-steppe areas, investors started working since 2004, in the Polish areas since 2008.

Most of the large holdings of Ukraine operate in the region. In particular, LLC "ATK" has been conducting economic activity since 2004 in nineteen settlements of Lyubarskyi, Chudnivskyi and Berdychivskyi districts and leases 17,484 hectares of land. The enterprise employs 435 people. The holding specializes in the production of plant products. In 2008, the association received a profit in the amount of UAH 45 million. The level of profitability was 33%. The average monthly salary for one worker per year was UAH 2,110. For the harvest of 2009, 240.5 kg of mineral fertilizers were applied per 1 ha of cultivated land. The fourth year on the lands of "ATK" use the No-till technology of direct seeding of cereals, which preserves the content of organic matter in the soil. Thanks to No-till, plant residues on the soil surface protect it from all types of erosion and increase fertility. As a result, in 2009, while preserving the cultivated area, the yield of grain crops increased by 10%. Thus, in the Lubarsk district, "ATK", occupying 23.4% of the district's arable land, produced 59% of the gross production of grain products and 5% of industrial crops in 2009.

CJSC "Technological Agrarian Company" has been operating in the Zhytomyr Region since 2006. It leases 14,400 hectares of land in the Andrushiv, Popilny and Ruzhyn districts. The largest areas - 10.5 thousand hectares - are concentrated in the Popilnya district. In 2007, occupying 14% of agricultural land, the enterprise produced more than 32% of grain products of the district's agricultural enterprises. At the same time, the grain yield was 59 t/ha. In 2009, the share of the enterprise accounted for 19% of production of grain and 63% of technical crops of agricultural enterprises of the district. PSP "Ukraine", which specializes in the production of crop and livestock products, thanks to the involved investments, managed to increase the yield from one cow by 51% during 2007-2009 - from 3.6 tons to 5.4 tons per head (table 2.6).

Table 2.6

The efficiency of the work of agricultural holding units in the Popilnya district of the Zhytomyr region in 2007–2009.

Indexes	Year	All in the district	Name of the investor		
			CJSC "Agrarian technology company"	Ltd "Khortytisia-Agro"	PSP "Ukraine"
Land area in Brobitku, huh?	2007	52584	7346.1	4208	2391
	2009	56371	10577	4824	2391
Gross harvest of cereals and legumes cultures, t	2007	132324	43647	5600	6210
	2009	195412	37292	21977	8530
Produced milk, i.e	2007	19588	h	h	2730
	2009	17963	h	h	2889
Grain yield, tons/ha	2007	42	59	24	60
	2009	54	95	53	60
Hope from one cow, kg	2007	3812	h	h	3564
	2009	4300	h	h	5397
Average monthly salary, hryvnias	2007	1010	1298	1308	1074
	2009	1345	1912	1401	1558
profit received thousand hryvnias	2007	20892	2058	3109	47
	2009	37593	3244	8002	5284

Source: according to annual reports of agricultural enterprises.

Despite the positive trends in the development of agricultural holdings, the results of research show that a number of companies, such as Landkom International PLC, LLC "Ukrainian Agrarian Investments", CJSC "Agro-region" for various reasons did not start production activities on leased lands in the first year. At the same time, rent calculations were carried out in full for 2008-2009. Thus, in 2009, CJSC "Agro-Region" did not use 9,000 hectares, or 60%, of the 15,000 hectares of leased land.

The availability of uncultivated land in the first year of the lease is caused by: production problems, taking into account the mainly plant-based direction of economic specialization of the holdings and the seasonality of agricultural production; organizational - related to the formation of separate structural

divisions and the expansion of territories in order to improve the company's capitalization and prevent competitors in the conditions of undervalued land and positive trends in the world markets of food products; commercial - consolidation of the land lease market and expectations related to the lifting of the moratorium on the purchase and sale of agricultural land; legislative - the absence of fines for inefficient production activity. The analysis of the creation of holding structures from different natural and climatic zones of the Zhytomyr region allows us to highlight the main trends in their creation. Investment processes in agricultural production began in 2004. First of all, the strongest enterprises of the forest-steppe regions of the region were included in the composition of the newly created associations, while the determining criteria was the availability of infrastructure.

In the formation of agricultural holdings in the Zhytomyr region, two stages can be distinguished:

The first one began in 2000, when the expansion of agricultural holdings was not massive and took place solely based on the company's financial condition, soil fertility, infrastructure availability, and the formation of raw material zones in the areas where their owners' processing facilities are located.

The second one began under the influence of global trends in the growth of food prices and in 2008 was characterized by increased processes of competition between tenants, an increase in the cost of subleasing and renting agricultural land. During this period, holding formations expanded the geography of their activities to territories far from cities and district centers. At the same time, the rental payments increased. The expansion of territories was not always accompanied by production activities in these territories. As the research showed, some holdings considered the expansion of land massifs as a profitable investment of funds, while rent payments and deductions to the budgets of the relevant levels were paid in a timely manner.

The analysis shows that investors started working in more favorable areas of the forest-steppe zone. At the first stages, investments were made in promising "living" agricultural enterprises. Not the last role in this issue was played by the administrative component and the combination of bureaucratic influence with financial capital. Thus, in the forest-steppe areas, the vast majority of investors started working since 2004, in the transition zone - since 2006. In 2008, competition began even in the most unattractive areas for the development of agricultural production in the Zhytomyr region. To a large extent, investment activity in 2008 was determined by the expectations of many investors for the quick lifting of the moratorium on the purchase and sale of agricultural land. Therefore, some of them never started agricultural production, and this is 90,000 hectares of land, for which lease payments are paid in a timely manner and at the appropriate level. In 2009, the situation improved, 40,000 hectares of land leased by investors remained uncultivated.

An example of effective economic activity of agricultural holdings is the economic activity of holding structures of the Chudniv district of the Zhytomyr region. There are seven investors working in the district, who cultivate 26,000 hectares, or 68.1% of the total area of the district, in 26 village and settlement councils, including "ATK" LLC, "Agrarian Fund Tereshchenko" LLC, JV "Nibulon" LLC, ChF CJSC "Rise-Maximko", "Ukrinagroprom" LLC, "Agro- Regiony" JSC PZ.

The capital increase of agriculture occurs both through corporatization and as a result of changes in the organizational and legal status of agricultural enterprises, namely: their transformation into divisions of investor enterprises, and the latter can work in various fields - from processing agricultural products to the production of industrial goods and mining. In the second case, the agricultural enterprise joins the investor enterprise as a structural or separate unit.

Conclusions to section 2

1. Important stages of reforming land relations have been completed in Ukraine: denationalization and monetary valuation of land have been carried out, more than two-thirds of agricultural land has been privatized. Market-oriented business structures are formed on a rental basis. However, the low level of their resource provision does not provide an opportunity to conduct efficient production, to solve the issue of economic and social development of rural areas. During 2001-2010, there was an increase in the size of agricultural enterprises, which was largely due to the attraction of investments. The concentration of capital found its expression in the creation of associations of agricultural enterprises in the form of holdings, which assumed the functions of management, material and technical support, organization of production and sales of products, the restoration of broken inter-industry ties, the creation of agricultural holdings is a peculiar response of the agrarian economy of Ukraine to market requirements. This process takes place in an evolutionary way and is a fundamentally new approach to the organization of production.

2. Based on the results of the research, it can be noted that the main prerequisites for investing in agriculture are: the global food crisis, caused by the increase in the global population and the growth of biofuel production, has led to an unprecedented increase in food prices; increase in the profitability of the main agricultural crops - grains in recent years provide 60-80% of profit, technical crops within - 100%;

unsecured domestic demand, great potential for domestic consumption; the presence of a significant area of fertile land, which allows collecting 60-70 million tons of grain per year; the ability to quickly organize large-scale production. The main advantages that contribute to investing in agriculture include: a convenient economic and geographic location and natural conditions favorable for agriculture; own raw material base of processing industry; proximity to potential sales markets; cheap labor.

3. The purpose of forming an agricultural holding is to create an effective center for coordinating the interests of integration participants with the aim of accumulating synergistic effects and maximizing profits. The organization of an agricultural holding can be divided into the following stages: organizational, economic; structural, legal. Currently, most of the enterprises that are part of the holdings mostly have the status of a separate legal entity, so it is quite difficult to attribute them to one or another association. Most agricultural holdings do not separate agricultural production into a separate type of business, so they will finally be formed after the moratorium on the sale of land is lifted. A significant part of investors, creating structural subdivisions on the basis of agricultural enterprises, pay taxes to the budgets of the territorial community at the place of their state registration,

4. The study of the dynamics of the integration processes taking place in agriculture makes it possible to predict the growth of the number of agricultural holdings and the expansion of their areas at the expense of small farms engaged in extensive agriculture and areas that are not cultivated. The increase in the number of agricultural holdings and the expansion of the scale of their activities confirms the fact that, in general, this is not a short-term phenomenon, but a clear pattern that shows the profitability of investing in agriculture. Research has revealed a number of problems that arise when agricultural holdings are created, in particular: the parent company receives unlimited economic powers, and the structural units lose their legal independence and a significant part of the means of production; there is a conflict of interests between the investor and the local community, caused by the reduction of certain productions, in particular,

5. Agricultural holdings cover, as a rule, the entire cycle of production, processing and sale of products and are distinguished by purposeful reproduction of the industry on a new technological, organizational and economic basis. On the basis of the study of organizational work in agricultural holdings, literary sources and our own research, we have built a general scheme of an agro-industrial association and an organizational model of an agricultural holding, where it is stated that the management system of holdings in the vast majority consists of two control centers: financial and production. Four options for the organization of the agro-industrial chain and the peculiarities of integration processes in agro-holdings are substantiated, taking into account that the optimization of the agro-industrial chain can be achieved by uniting enterprises into a territorial-production cluster with the participation of the agro-holding. In Ukraine, agro-industrial associations are also being created with the involvement of foreign capital, foreign raw materials, equipment, machinery and technologies, which led to the development of the organizational chart of the agro-industrial association with the involvement of foreign capital. The creation of agricultural holdings is a model for the further development of the agro-industrial complex of Ukraine, which will lead it to a qualitatively new trajectory of stable, highly efficient and competitive functioning.

6. formation of additional Based on the fact that the vast majority of agricultural holdings are lessees of land, in order to receive medium and long-term loans, it is necessary to legislate and implement a mechanism for pledging the right to lease land, which will become a key link in the triad "owner-lessee-bank" and guarantee the return loan, and the land owners will be allowed to keep the object of ownership. For this purpose, it is necessary to make additions to the Land Code of Ukraine and the laws of Ukraine "On Land Lease" and "On Mortgage". At the legislative level, a guarantee of protection of the rights of creditors and borrowers should be established. At the current stage of development of agricultural holdings, there is no question of mass purchase of agricultural land, since the main financial resources are directed to the creation of resource potential,

7. The size of agricultural enterprises is formed under the influence of many factors, in particular: the goals and objectives set by the economic entity, natural conditions, proximity to transport routes and sales markets, specialization, technological equipment, production technology. The analysis showed that there is a close relationship between the growth of land use in agricultural holdings and indicators of the economic efficiency of agricultural production.

The main results of the research are published in the author's scientific works [71, 78, 82, 83, 84, 87, 93, 90, 95, 99, 104]. SECTION 3

MANAGEMENT OF INTERNAL ECONOMIC PROCESSES IN AGRICULTURAL HOLDINGS

3.1. Organizational and economic principles of management of production and economic activity of agricultural holdings

With the creation of agricultural holdings, there was a need for a new approach to personnel management and scientific substantiation of management, that is, the development of specific proposals for improving the organization of work with personnel at the enterprise, based on global and domestic experience.

First of all, the management of the organization determines the goal and the resources necessary for its achievement - the need for funds, equipment, materials and personnel.

The personnel potential of the enterprise and the qualification of labor resources is a determining factor of the company's ability to implement innovative programs, expand production, improve product quality, and increase labor productivity.

A formed team of professionals is a guarantee of the success of the company's development, because, unlike machines or equipment, it is able to generate ideas, quickly make decisions, create added value, which is one of the main attributes of the company's effective activity in market conditions. Agricultural holdings began to invest funds in the formation of personnel potential and improvement of the qualifications of their employees, considering these capital investments as a reserve, a guarantee of increasing the company's competitiveness in the long term. At the same time, control and the personnel management system were strengthened, for which additional services are being created.

The introduction of the latest equipment and modern technologies, production management systems is possible only in combination with modern methods of working with personnel and the correct application of motivational schemes by its management. Therefore, under the current economic conditions, it is important to study the main areas of work with personnel: planning; management; selection of its arrangement and adaptation; rationing and stimulation of labor, assessment, training of personnel, work with personnel reserve and its impact on labor productivity and profitability of the enterprise.

Agroholding is a miniature society, an artificial man-made system capable of evolution, one of the crucial parts of which is human resources. Within the framework of the concept of "human resources management", personnel are "equal in rights" with fixed capital, costs for it are considered as long-term investments, personnel planning is closely intertwined with production. Thus, the employee is the object of the corporate strategy. At enterprises, group organization of work is actively implemented, and therefore emphasis is placed on team building, development of human abilities and formation of corporate culture. HR services solve organizational and analytical issues, as well as provide support to line. Human resource management is a function of the enterprise, which aims to ensure an effective and continuous balance between the available recruitment staff and the need for them in terms of numbers and qualifications. The task of such management is the constant optimization of personnel competence in the interests of the company's strategy.

"Personnel management is a set of management measures that ensure compliance of the quantitative and qualitative characteristics of personnel and the direction of their work behavior with the goals and objectives of the enterprise" [327, p. 224].

The main tasks of the personnel management system include: providing the organization with qualified personnel; creation of necessary conditions for effective use of knowledge, skills and experience of employees; improvement of the system of remuneration and motivation of employees; increase in job satisfaction of all categories of employees; providing employees with opportunities for development, professional development and professional growth, stimulating creative activity; formation and maintenance of a favorable moral and psychological climate; improvement of personnel evaluation methods, management of internal transfers and careers of employees; participation in the development of organizational strategy. The stages of personnel management are shown in fig. 3.1.

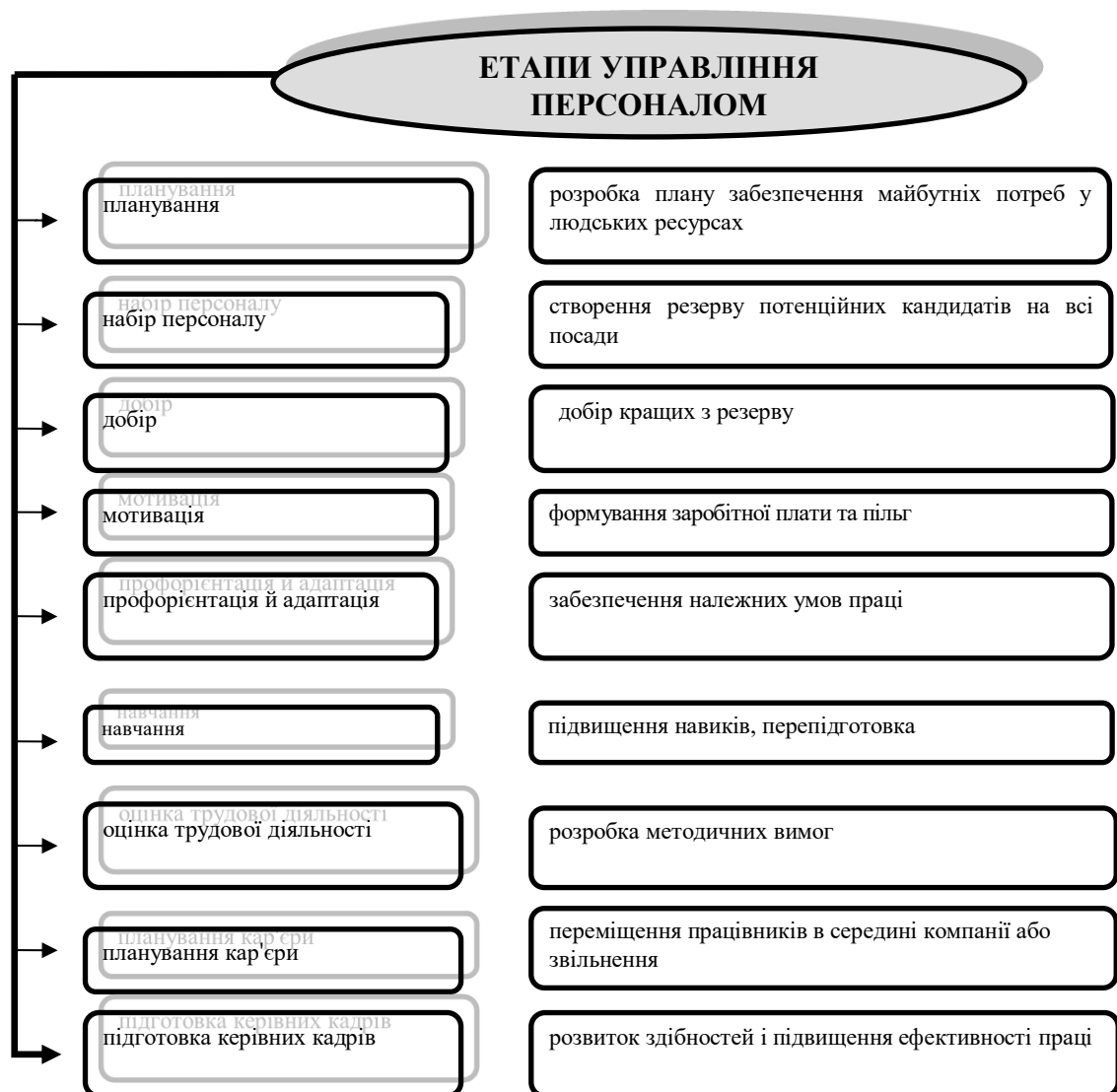


Fig. 3.1. The main stages of personnel management in agricultural holdings

[188, p. 566–567]

The main element of the management system is personnel. Personnel is the most difficult object of management in the organization, because it, in contrast to the objective factors of production, is "alive", which causes its ability to independently decide, critically evaluate the demands placed on it, act, has subjective interests, and also very sensitive to managerial influence, the reaction to which is uncertain. Personnel is a permanent full-time staff of qualified employees of enterprises, institutions, and organizations, characterized by the number, structure, professional suitability, and competence. Its number is determined by the nature, scale, complexity, labor-intensiveness of production processes, the degree of their mechanization and automation, computerization. These factors determine their normative (planned) value.

"Personnel policy is a system of working with personnel that combines various forms of activity and aims to create a cohesive and highly responsible, highly productive team to realize the company's capabilities to adequately respond to changes in the external and internal environments" [341, p. 228]. Its main goal is to provide the organization with personnel of the required quality and number in a timely manner, to ensure the conditions for the realization of the rights and obligations of citizens provided for by the labor legislation; rational use of personnel potential; formation and support of effective work of labor teams. Human resources policy can be implemented in the following areas: recruitment of personnel potential, training and retraining, system of remuneration, formation of the company's personnel reserve, formation of socially oriented company policy.

The management system in the structural subdivisions of agricultural holdings is formed on the basis of clearly defined cost centers and profit centers. The structure of the management service depends on the nature and size of the organization, the characteristics of the products it produces. It may include the following departments: personnel, training, personnel evaluation and remuneration, social protection, labor

protection, sociological laboratory and legal department (Fig. 3.2).

The personnel department provides personnel for the implementation of the production program (recruitment, distribution, dismissal), conducts personnel records, analyzes personnel turnover and labor discipline, prepares draft personnel orders.

The training department organizes the training process for managers, specialists, and workers; prepares training instructors from among managers and specialists of the organization; studies and summarizes the experience of the best employees, organizes the production practice of students.



Fig. 3.2. The structure of personnel management in agricultural holdings

Source: author's research.

The department of personnel evaluation and remuneration conducts evaluation and certification of managers, specialists, and workers; improves the organizational structure of management; organizes the development of job instructions; draws up a staff list based on the approved structure; supervises the number of units; proposes the introduction of a modern system of labor remuneration, which is oriented towards the final result of work; introduces contractual (contractual) forms of employment; controls the implementation of labor legislation on wages, rationing; organizes work on attestation of workplaces; compiles statistical reports on labor indicators.

The Department of Social Protection plans the use of social insurance funds; organizes a fund of material assistance, loan payments and other types of social benefits; organizes medical and other types of social insurance for workers; distributes sanitary and resort vouchers, etc.

The occupational health and safety department ensures safety and healthy working conditions at each workplace; monitors compliance with regulations on labor protection; carries out preventive work to prevent industrial injuries and occupational diseases; analyzes and summarizes proposals for the use of funds from the labor protection fund; prepares reports on labor protection.

The Sociological Laboratory studies sociological and psychological problems of organizing work, life and rest of employees, development of solutions and ways of their implementation.

In agricultural holdings, as a rule, the personnel policy is strictly regulated, while its main

provisions are written down in general corporate documents: regulations on labor remuneration, job instructions, Collective Agreement, rules of internal corporate procedures, style and philosophy of the company's development. These documents regulate the system of management, behavior, and relationships between employees and structural units of various subordinates with the aim of complying with a single corporate policy and taking into account the company's development philosophy. "The most effective way to implement personnel policy is personnel planning - the organization's activities on personnel training, ensuring proportional and dynamic development of personnel, calculations of its professional and qualification structure, determination of general and additional needs, control over its use" [206, c. 193]. The purpose of personnel planning is to provide employees with jobs at the right time, in the right number and in accordance with the abilities and qualifications of the staff and the requirements of the organization. Under modern conditions, the category "personnel marketing" has gained significant popularity - this is a type of management activity aimed at determining and covering the need for personnel, the task of which is to master the situation on the labor market" [327, p. 232–233] and the optimal use of personnel resources by creating the most favorable working conditions for increasing its efficiency and developing a partner-like, benevolent attitude towards the enterprise in each employee. in the right amount and in accordance with the abilities and qualifications of the staff and the requirements of the organization. Under modern conditions, the category "personnel marketing" has gained significant popularity - this is a type of management activity aimed at determining and covering the need for personnel, the task of which is to master the situation on the labor market" [327, p. 232–233] and the optimal use of personnel resources by creating the most favorable working conditions for increasing its efficiency and developing a partner-like, benevolent attitude towards the enterprise in each employee. in the right amount and in accordance with the abilities and qualifications of the staff and the requirements of the organization. Under modern conditions, the category "personnel marketing" has gained significant popularity - this is a type of management activity aimed at determining and covering the need for personnel, the task of which is to master the situation on the labor market" [327, p. 232–233] and the optimal use of personnel resources by creating the most favorable working conditions for increasing its efficiency and developing a partner-like, benevolent attitude towards the enterprise in each employee.

An important stage of planning is the assessment of future personnel needs, within the framework of which forecasts are made regarding: personnel needs, their availability in the future (totally by subdivisions, specialties, qualification groups); sources of coverage of needs (for example, release, redistribution, professional development); needs for professional training, retraining and advanced training; working conditions; level and forms of remuneration, social benefits, benefits; necessary expenses.

A special place in the planning of work with the personnel is occupied by the planning of its reduction and promotion, while at the same time maximally softening the transition of employees to other industrial or professional spheres of activity and at the same time eliminating social tension. In agricultural holdings, this line of work is called "outplacement" (outplacement) [327, p. 250]. The need for its development is due to the technological displacement of a significant number of workers in the structural divisions of agricultural holdings due to the introduction of new technologies, which finds significant resistance both among employees and management. At the same time, personnel optimization leads to the elimination of excess quantity, reduction of additional costs caused by the low level of labor productivity and quality, and therefore, it is an economic necessity.

The key stage in personnel planning is the organization of recruitment, selection and adaptation of personnel. This issue is particularly relevant in relation to the involvement of young people in production, especially in rural areas.

In order to increase the efficiency of the search for candidates, the personnel manager turns to the following sources: posting information about vacancies in the company's divisions, in printed mass media, on the Internet, on the company's website, and also conducts a targeted search and attraction of specific specialists from other enterprises and companies. If necessary, the search for certain categories of specialists can be conducted through recruitment agencies. Personnel selection takes place on a competitive basis.

The need for personnel is met in the process of recruiting personnel and creating a reserve of employees, depending on the demand and supply of labor in the market, using active and passive methods of personnel selection. As a rule, the active ones are turned to when the demand for labor, especially highly qualified workers, exceeds the supply in the labor market. Passive methods of meeting the needs of personnel are used in a situation where the supply exceeds the demand in the workforce. For this, advertisements are placed in mass media.

The advantages of involving your employees are as follows: this process can be planned and the costs for it are lower; people are given opportunities for professional growth, which increases job satisfaction and self-confidence; applicants are well aware of the structure of the organization, which ensures easy adaptation to new requirements. The disadvantages of this method are a small number of vacancies; the need for retraining costs; possible deterioration of the microclimate at the enterprise due to the emergence of internal competition, etc. One of the main problems in recruiting employees is related to the employer's

desire to "sell" his company as best as possible. He can overemphasize the positive aspects or underestimate the difficulties of working in the company. As a result, the candidate may have unreasonable expectations. As practice shows, the emergence of this kind of expectations during hiring causes an increase in job dissatisfaction and staff turnover. In order for such problems not to arise, it is necessary to create various programs that will acquaint the employee with work, its positive and negative features.

Adaptation of personnel is adaptation of a new employee to the content and requirements of work and the social sphere. Professional adaptation is distinguished

- active mastering of its intricacies, specifics, necessary skills of the profession, decision-making tools for starting in standard situations; psychophysiological – adaptation to working conditions, work and rest regime; socio-psychological - this is adaptation to the team, management and colleagues. The first step of adaptation will be introduction to the position, which is a set of procedures aimed at accelerating the new employee's mastery of the job, shortening the employee's adaptation period in the team, and helping to establish contact with employees. Introduction to the position begins with providing the new employee with the necessary information of a general nature in the form of brochures, catalogs, a story about the organization as a whole, about wages, about work and rest regime, about additional benefits, about occupational health and safety, about issues related to personnel management, about relations with elected bodies of the labor team, about solving everyday problems, about the economic state of the enterprise. They also provide information about goals, technologies, work features, internal and external relations and connections, personal responsibilities

During the adaptation period, the employee must familiarize himself with the new environment, understand the structure of the organization, informal relationships, psychological climate, personal goals of colleagues and the manager, find a mentor, clearly adhere to subordination, choose the right form of communication, etc. If necessary, a mentor from among experienced specialists should be attached to the employee, and after the trial period ends, in a personal interview, sum up the results of the adaptation.

The intensity of the processes of mergers and acquisitions of companies that have acquired active development during the last time leads to a change in the management structure of agricultural holdings and a significant rotation of managers between internal companies. Quite often, such a management model becomes dominant, which provides subsidiaries with autonomous management decisions and weakens the vertical hierarchy. In this regard, the development of management institutions (boards of directors, executive presidents) in agricultural holdings is much faster than the development of controlling institutions.

This situation makes it necessary to improve the company's management system, especially in the conditions of the economic and financial crisis. Under such conditions, improving the efficiency of the staff and simultaneously regulating the wages of employees is achieved by evaluating the actual performance indicators that cause:

- optimization of the number of personnel based on the labor intensity of business processes (rationing of labor resources);
- decision-making by the management apparatus on the effectiveness of employees' activities, which leads to the need to review the existing indicators of their work efficiency and strengthen the motivation of employees to achieve better financial results of the organization's work.

In this regard, outstaffing, which aims to attract a freelance specialist with relevant knowledge, professional skills and experience in the implementation of a certain project, is gaining significant popularity in agricultural holdings [46].

Sometimes the terms "outsourcing" and "outstaffing" are equated. Outsourcing is the transfer of functions that were previously performed independently by the company to an external company that specializes in the implementation of similar functions (for example, the services of legal and accounting companies, companies that prepare and deliver lunches to the office, etc.). Outstaffing involves the transfer not of functions, but of specific employees working in the company.

The outsourcing company provides employees with the necessary qualifications and is responsible for the quality of the services provided by the staff. If the quality of the client is not satisfactory, the staff will be replaced by another, more qualified one.

The main advantages of outstaffing include reducing the burden on the HR department, reducing staff maintenance costs, tax optimization, minimizing risks and delegating responsibility.

Some agricultural holdings transfer the entire staff, except for the general director and the chief accountant, to outstaffing. In this case, there is no need to keep personnel documentation, fill out timesheets, work record books, and perform procedures related to personnel records. In such a situation, the tax inspectorate, social insurance funds, migration service and other inspection bodies will not be able to fine the company for violations related to personnel, migration and tax issues regarding personnel.

Conducting personnel records is a complex and time-consuming process that requires high competence and qualification of personnel services, which is associated with significant costs and risks. In

case of detected violations by the tax inspectorate, social insurance funds or the migration service (if there are foreign citizens in the staff), not only the human resources employee, but also the management of the enterprise is responsible. When using outstaffing, the organization and its management are completely exempted from responsibility not only before the inspection bodies, but also in case of labor disputes.

If the organization works under a simplified taxation system, certain restrictions are set on the number of full-time employees. In the opposite case, it is necessary to switch to the general taxation system, which is associated with significant costs. When using outstaffing, it is possible to remain in the status of an object of preferential taxation, while increasing the number of employees actually employed.

The implementation of outstaffing by integrated structures plays a rather positive role in increasing the investment attractiveness of the company. With a formally small number of employees and relatively low staff maintenance costs, financial indicators per employee (profit, sales volume, etc.) improve. This can be used as a tool to increase the investment value of the company.

When merging enterprises, coordinating bodies are created, the main tasks of which, as a rule, are:

- ❖ conducting economic, social, environmental and other studies with the preparation of relevant recommendations aimed at achieving the goals of the organization;
- ❖ implementation of informational and advisory activities, marketing, economic and scientific researches; carrying out research, research and design and project works in promising directions of science and technology, promoting the implementation of advanced achievements of science and technology in production;
- ❖ development of methodological recommendations for increasing the stability and optimization of the production and financial and economic activities of the members of the association;
- ❖ organization and conduct of advertising campaigns and events, exhibitions, meetings, scientific symposia and seminars;
- ❖ implementation of consulting services for members of the association, ensuring protection of the rights and legitimate interests of members of the organization [54].

For the agricultural holding, the priority is to obtain an economic effect - profit, and for society - to ensure the moral and material benefits of the local community. The efficiency of a particular enterprise and the public good are always in opposition. Achieving harmony in relations between two subjects and forming a balance of interests is an important task of economic science. Under the current conditions, the needs of society for the implementation of social issues significantly exceed the income from tax payments paid by enterprises.

Conducting production based on the principles and principles declared by agricultural holdings requires fundamentally new approaches to human resource management based on high professionalism, compliance with the culture and philosophy of the company's development, and quick response to the challenges of the market economy. The main management of the company directs efforts to form a team of specialists capable of thinking systematically and making non-ordinary decisions depending on the market situation. With this in mind, new types of professions are being tested in agricultural holdings, designed to solve management issues at all stages of the agro-industrial chain, starting from the production of products and ending with the sale of the finished product through its own retail network.

The formation of effective management depends on many factors, the main ones are: work motivation, authority of the manager and belief in the ideas he declares, formation of a team of compatible people capable of working in the same team and establishment of a microclimate favorable for work, availability of opportunities for professional growth and self-realization personality. As an example, we can cite many effective companies such as "Rise", "Astarta", "Nibulon", "Mriya", "Agroton" where a corporate culture of management is formed, and managers and specialists are motivated and interested in the final results of activities and as a result their psychology changes in relation to the company's property and assets. The decisive influence on the efficiency of management in agricultural holdings is also formed by management decisions that they have to make when forming the size and choosing the spheres and types and directions of their activities. At the same time, it is important to take into account the interests of the population living in the territory of the company's production activities and participate in solving the social problems of the territories within which the company conducts production, because this is directly proportional to the microclimate in the team and the increase in the efficiency of the structural divisions. The thesis here is that simple profit is formed not in the main company, but in structural units. And depending on the conditions under which and how their activity will be ensured, such a return (profit) can be obtained from them. At the same time, it is important to take into account the interests of the population living in the territory of the company's production activities and participate in solving the social problems of the territories within which the company conducts production, because this is directly proportional to the microclimate in the team and the increase in the efficiency of the structural divisions. The thesis here is that simple profit is formed not in the main company, but in structural units. And depending on the conditions under which and how their activity will be ensured, such a return (profit) can be obtained from them. At the same time, it is important to take into account the interests of the population living in the territory of the

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Scientific opinion says "in order to increase the responsibility of employees of structural units, it is necessary to increase the level of self-management, when the employee's sense of responsibility will dominate when the distribution of relations is carried out by another person. A person will work to his full potential only if he is sure that what he has earned by honest labor belongs to him. A capable owner also needs the inviolability of personal property, and the feeling of its insecurity is a tangible brake on the way to improving the efficiency and quality of work. This cannot but affect the formation of the social psychology of workers, particularly peasants" [211, p. 114, 102].

"The introduction in agricultural holdings of progressive forms and methods of organization and payment of labor in the vast majority of activities related to the final results and strengthening the understanding of the role and importance of each employee in the overall development of the company contribute to the formation of such employee qualities as responsibility, business acumen, entrepreneurship. Therefore, in agricultural holdings, along with technological progress, labor productivity increases and a new psychology of people is formed in their attitude to means and objects of work, their interest in the final results of work increases" [211, p. 114, 105].

3.2. Methodological foundations of the development of budgeting in agricultural holdings

The market economy requires the improvement of the system of management, planning and analysis of economic processes in the context of modern transformations in the agricultural sector that have taken place in the relations of ownership, management and labor and the substantiation of scientific and practical recommendations on this basis, which would take into account the previously accumulated domestic experience.

There is a need to study the peculiarities of the functioning of intra-economic relations in agricultural enterprises and to build a new management and cost planning system that will be subject to control and quick adaptation to changes in the external economic environment and will allow the realization of the company's strategic development goals.

The formation of income and expenses at the level of the structural units of the company prompts the management to form a system of effective control and create favorable conditions for the provision of material, technical, financial, and human resources for the entire production cycle and control the effectiveness of their use. The enterprise is a primary, independent branch of agriculture that creates specific economic benefits. The specificity of agricultural production determines the need for continuous attraction of additional working capital and control over their rational use. This issue is especially important for large agrarian associations (companies, holdings) with powerful private capital, which have in their use significant land masses, territorially located in different regions,

In these conditions, the financial and economic service of the enterprise is faced with the task of forming a unified economic policy in the areas of planning, rationing, motivation and comprehensive economic analysis of the production and economic activity of the enterprise as a whole and separate divisions in particular, determining ways to increase the efficiency and profitability of production; strengthening control over the implementation of the resource and energy saving policy; application of highly effective technologies, equipment, structures, materials, compliance with general economic and industry norms. One of the main ways to solve these problems is to develop a budgeting system and draw up a production and financial plan of the enterprise and control its implementation during the reporting periods.

"Budgeting is a technology of financial planning, accounting and control of income and expenses from the activities of the enterprise (company, holding) at all levels of management, which allows analyzing the forecasted and received financial indicators for each of the financial accounting centers within the approved financial structure of the enterprise. Budgeting is an integral component of the preparation of production and financial plans of the enterprise" [41].

The goal of introducing a budgeting system is: maximizing profit by formulating goals and ways to

solve them, strengthening cost control, increasing the efficiency of using available resources, developing the most effective areas of economic activity, increasing the financial validity of management decisions, optimizing cash flows, rational redistribution of resources between different types of activities.

Market-oriented budgeting covers the totality of planning and calculation, economic and organizational work on drawing up, substantiating and monitoring the progress of the implementation of the business plan of the enterprise and its divisions with the orientation of production on the consumer. Agricultural holdings cannot completely eliminate the risk of their activities, but they are able to manage it with the help of effective planning.

World practice proves that the more chaos there is in the external environment, the more order there should be in the enterprise itself. Market-oriented budgeting ensures, first of all, the rhythm of production, obtaining stable incomes and stable financial condition of the enterprise.

The budget (production and financial plan) is a financial plan in monetary terms that covers all aspects of the enterprise and the financial accounting centers that are part of it for a specific period of time. It defines the probable income and expenditure of funds, the procedure for making settlements with suppliers and customers, the dynamics of assets and liabilities. The budget is the initial document for substantiating before banks the receipt of a loan for the production of a specific type of product or the implementation of a commercial project. The structure and type of budget for each enterprise is individual.

Budgeting is a quantitative reflection of goals and the development of ways to achieve them. This is a motivated model of actions, created on the basis of a conjunctural forecast of the economic environment and a set goal, a system of measures developed in advance, which provides for goals, content, balanced interaction of resources, volume, methods, sequence and deadlines for the production and sale of products or the provision of services. The plan allows the enterprise to assess: how real the achievement of the set goals is, what helps and what hinders their achievement [41].

"The budgeting system is based on the following principles: unification of all budget forms by main articles and budget periods for all financial accounting centers, regardless of the specifics of their activity; formulation of financial goals in the form of planned indicators in advance for all structural subdivisions; the continuity of the budgeting procedure, which involves regular revision and adjustment of previously made forecasts for a new period, without waiting for the end of the current one; accounting of income and expenses, receipts and write-offs of cash in time-comparable accounting values" [41].

The development and preparation of a production and financial plan includes the following stages.

Preparatory - at this stage, the collection and processing of accounting information is carried out, checking the correctness of the display of economic transactions in analytical information and accounting accounts; development and approval of the register of norms for the use of fuel, fertilizers, fodder, seed material, as well as forms and norms of labor payment.

Approval - involves the discussion of budget indicators, the development of draft budget forms, tables, types and structure of budgets depending on the direction and structure of the enterprise's production and their approval in accordance with the plan-schedule of execution. Approval is the process of acceptance by the heads of financial accounting centers and the management of the holding of prepared and agreed budgets, which become directive, that is, approved for implementation both at the level of a separate unit and the enterprise as a whole.

The control system is a set of measures to analyze and evaluate the effectiveness of management of resources, expenses and obligations of the enterprise during the budget period, periodic monitoring of current activities, comparison of the amount of expenses with budget standards and prevention of overtime expenses.

The production and financial plan is drawn up for 12 months with monthly details. Each service of the enterprise must disclose in it the vision of the development of the enterprise according to its profile: agronomic service - a production program for crop production (structure of sown areas, sowing in blocks by subdivisions, fertilization and plant protection system, planned yield, technological maps); engineering - a plan for updating equipment, a plan for repairs and material and technical support of production; zooengineering - a program for the development of animal husbandry (herd turnover, the need to provide own and purchased fodder). At the same time, the reliability, completeness and correctness of the display of information about these processes in accounting and management accounting are mandatory. The Chief Economist is a consultant for all specialists involved in budgeting.

- ❖ conducts indicative planning - current input of actual data for the 1st, 2nd and 3rd quarters into the initial plan for the purpose of forecasting financial results;
- ❖ deals with labor rationing, pricing of completed works, forms the "Unified Timekeeping Base of Production and Fuel Consumption Standards";
- ❖ determines the number and composition of primary divisions, forms of organization and remuneration, develops the "Uniform Regulations on Labor Compensation";
- ❖ studies the market situation - demand for specific types of products, channels and terms of their sale, price forecast; improves management accounting in order to obtain correct and reliable reporting, which will allow making the right decisions and implementing long-term development programs;

- ❖ analyzes the cost of production and the correctness of cost allocation.

The scheme of the production and financial plan of the enterprise is shown in Fig. 3.3.

The annual budget for the following year begins to be developed after the end of the harvest and ends in December of the current year. During the planning year, indicative planning is carried out, which provides for the adjustment of the budget taking into account the actual indicators of the production process. Budgets are developed for the organization as a whole and for each financial accounting center in particular. Protection of budgets is carried out at the balance commission by directors of branches and heads of departments. If the company includes several subsidiaries or branches located territorially in different regions, then a consolidated budget is prepared for the consolidation of budgets of all levels with details by financial accounting centers. The effectiveness of the budget depends on the joint work of the managers of all structural divisions of the enterprise (economist, engineer, agronomist, veterinarian,

"The plant production program includes tables characterizing: land use plan - composition and area of land, total amount of land owned and used; the structure of sown areas - the areas sown of agricultural crops and the specific weight of each of them (in percentage). Based on the given areas of crops in crop rotations, the need for seeds, fertilizers and plant protection agents for each crop is planned in natural and cost terms, both for the entire area of its sowing and per unit area. Depending on the amount of costs incurred and natural and climatic conditions of the region, the yield of agricultural crops is planned" [77].

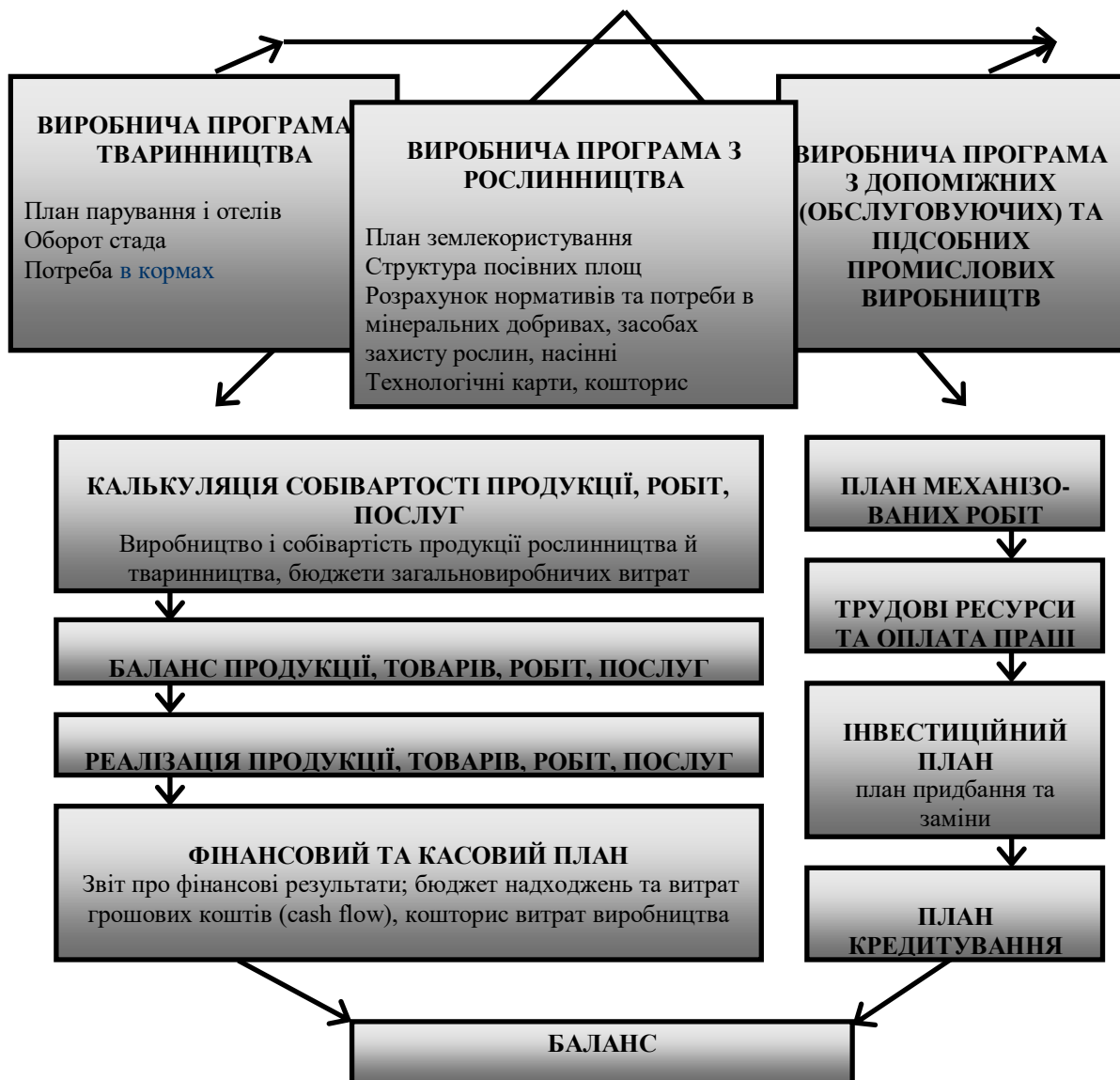


Fig. 3.3. Scheme of the production and financial plan

The production and financial plan of the agricultural holding consists of separate sections.

The next step in planning is the summarization of data from previous tables into technological maps of growing agricultural crops, based on which a monthly estimate of direct costs in crop production is formed - a summary table that allows you to plan the need for funds that will be spent directly on crops. "It is the starting point for drawing up the following table - a consolidated plan of production and cost of production - where information about the collection of products and its cost in terms of individual crops and cost items is presented in a consolidated form. At the same time, the distribution of each crop between types of products (grain, grain waste, by-products) according to official methods is displayed" [77]. Costs are given on the basis of 1 ton of products and 1 hectare of area. According to the results of compilation and analysis of various options of technological maps:

- the profitability is evaluated and the expediency of the use of technologies, the use of material and technical resources, the conduct of one or another line of activity is determined;
- economically beneficial agrotechnical, technical and organizational methods of production are distinguished;
- measures aimed at improving production indicators of economic activity and obtaining competitive products are being developed;
- intra-farm value of various types of plant products is determined;
- ways to reduce labor costs and resources are determined.

The production program for animal husbandry includes information for determining the availability and number of average annual livestock by individual species and groups of animals, the mating plan and the arrival of offspring, a summary plan for the production and cost of animal husbandry products. Planning and distribution of costs is carried out in the section of separate articles for each type of livestock production. The planned level of efficiency of the livestock industry is evaluated in natural and value indicators, the need for fodder and its cost is determined, and the cost of livestock products is calculated.

Cost planning for auxiliary (service) and auxiliary industrial productions includes a system of budgets for the plan of freight transportation and hourly work of motor vehicles, the plan for the repair of machinery and equipment, the plan for the need for fuel and lubricants, the production program for cargo vehicles, machine-tractor and combine fleets, electricity, water and heat management. Cost planning is carried out in terms of individual items, and their total amount is further distributed by various types of products, works and services and forms their cost price. The final stage of planning is the determination of the unit cost of services: ton-kilometer (truck fleet), 1 hour (passenger and special fleet), 1 conditional hectare (machine and tractor fleet), 1 kW. hours (electricity),

Budgets of general production costs are formed from costs that cannot be directly attributed to a specific type of production, for budgeting purposes it is appropriate to form a budget: general production costs of crop and animal husbandry and general economic costs; plan of amortization deductions for fixed assets; the budget for spending money on property rental and leasing in terms of subdivisions; land lease plan and land rent calculation, which includes information on the number of land lessors, its monetary value, terms and forms of rent payment.

Labor resources and wages - the available labor resources and their need to ensure a continuous production process are assessed, the staffing of the company's employees in the planning period is determined, the tariff grid is developed and the wage fund is calculated in terms of production branches and areas of the enterprise (planning the amounts of deductions, leave, alimony, bonuses, incentives, taxes), based on generally accepted norms.

Depending on the actual planned sources, revenues and tasks for the production of products, the available material and technical base and the possibility of its modernization due to repair work, replacement, purchase of new equipment, construction of new production facilities are evaluated. At the same time, the total amount of capital investments and their structure are planned: own funds, investor loans, long-term bank loans.

Estimate of production costs - consolidated estimate of costs for the main production - a summary table of the production plan, in which the consolidated costs of production are calculated, by elements and articles, it is the starting point for drawing up a financial plan.

The balance of receipt and use of plant products is the primary calculation table of the financial plan, in which the distribution of products is carried out by the period of production and the period of sale. Its data are the starting point for the calculation of the implementation plan, the information from which, in turn, is displayed in the cash flow table, where the arrival and departure of cash is planned on a monthly basis, and their surplus or shortage in certain periods is predicted. This table does not take into account the cost of seeds, planting material and other products of own production, which is included in the cost of final products, but does not have a monetary form, as well as depreciation of fixed assets and other non-current assets. The identified lack of own funds is provided by short-term bank loans.

Calculation of profit, gross and net income is a result table for determining the planned results of

production and financial activities in the planned period. Includes tables to determine administrative, financial, and selling expenses covered by profit. In particular, the VAT plan, the plan for the finishing of products at the elevators, the calculation of costs for the organization of production and management, the amount of interest on bank loans, other expenses and income (operational, financial, other ordinary, extraordinary).

The balance sheet (form No. 1) is the final table of the production and financial plan, the purpose of which is to check its correctness, it accumulates all budget data: assets, liabilities and equity capital of the enterprise. Requirements for its form and content are described in P(S)BO 2 [256]. The sum of assets on the balance sheet must equal the sum of liabilities and equity.

Profit is an important economic indicator of an enterprise's activity in market conditions. It depends on the consumable part, which means on the attention of each specialist at the workplace. In order to prevent overtime expenses during the budget period, periodic monitoring of the current activity of the enterprise is carried out by comparing the amount of expenses with budget standards. This happens at the balance commission, which is held after the end of the reporting period (quarterly) or after the completion of the main types of work (spring field work, harvest, sowing of winter crops). Based on the results of the implementation of budgets, the management of the enterprise, using the information obtained as a result of the analysis and evaluation of the efficiency of individual branches and the enterprise as a whole, manages the production process, makes decisions on streamlining financial documentation. Achieving significant organizational changes and strategic results is possible only if the head of the budget process at the enterprise has a strategic vision of business development, experience in motivating staff, the ability to determine priorities and the ability to attract the necessary employees in accordance with the tasks that need to be solved. At the same time, it is important to implement a personnel strategy at the enterprise, which will include the creation of a corporate culture, the development of motivational schemes, and a training and development program for specialists.

The development of a unified financial system of enterprise management through budgeting has proven to be an effective management tool for large agricultural holdings such as: "Astarta", "Rise", "Privat", "Ukragrobusiness" and others.

The implementation of the budgeting system is a perspective for the development of agricultural holdings, as it allows: to formulate the goals of the organization's development and assess the practical possibilities of their achievement; ensure rational use of material and labor resources; optimize costs and strengthen control over production. Strengthening the role of management in the process of financial recovery of agricultural production, establishing work on training and development of employees and their proper motivation should become an integral component of this system.

3.3. Organization of rationing and work motivation in agricultural holdings

The creation of a regulatory framework for planning is the basis of rational organization and planning of the activities of agricultural holdings. The specificity of the formation of a single base is determined by the need to determine the minimum amount of resource use to achieve an economic effect.

"The normative method of planning is one of the methods of justifying plans, which is used in the course of economic analysis of the results of economic activity and determining the need for various types of resources. It is based on economic norms and regulations - scientifically based values characterizing the quantitative and qualitative measure of expenditure of working time, materials and money" [4].

"Norms are the maximum permissible value of the absolute consumption of raw materials, materials, fuel, energy, and labor costs for the production of a unit of production (or performance of work) of the established quality in the production conditions of the planned year" [4].

"Norms and regulations must be reasonable, progressive, dynamic and cover the entire set of used resources. Norms, regardless of the costs of which element they determine, should have a systemic nature and ensure the rational use of living and embodied labor" [4].

In agricultural holdings, depending on the specifics of production, a single base of norms is formed, which in the vast majority includes norms for consumption of stocks, raw materials, materials, fuel and energy; costs of labor resources and wages; the use of production capacities and the duration of their development; capital investments and capital construction; finance; production costs.

Labor rationing is carried out by establishing production standards, service standards and time standards on the basis of current standard standards and standards determined by timekeeping observations and approved by company order. The chief economist of the branch is obliged to ensure the organization of labor rationing and approval of standards.

Labor rationing in crop production is carried out by the chief economist of the branch with the participation of specialists from agronomic, engineering, economic and accounting services. Responsibility for the quality of rationing is distributed between them personally in the following amount:

- the chief agronomist of the structural unit - for technological parameters (depth of cultivation, speed of movement of the unit, etc.), for costs of material resources related to technology (sowing rate, rate of application of fertilizers, fertilizers, etc.);

- the chief engineer of the structural unit - for technical parameters (operational equipment, regulation of fuel equipment, engine revolutions, filling of the fuel tank), for costs of material resources related to technical parameters (rates of consumption of fuel, lubricants, etc.);

- the chief economist of the structural unit - for the correct application of formulas and coefficients in economic calculations; for the correctness and completeness of registration of observation letters and acts of timing observations, their transfer to the central office for approval; for compliance with the approved norms of production and consumption of fuel when filling out accounting sheets and other primary documents.

- accountant - for the correctness of measurements of the volumes of work performed, lengths of runs, etc.

Salaries and labor motivation are important principles of managing the production and economic activities of agricultural holdings.

The salary structure is determined by analyzing its level, labor market conditions, as well as productivity and profitability of the organization. Remuneration of employees is determined by their personal labor contribution, taking into account the final results of the enterprise.

At the same time, it is worth noting that salary cannot be the only goal of labor activity. "Material incentives make work motivation effective only if the latter functions as a system based on the following basic principles:

- ❖ communication, cooperation and agreement between employees and management regarding the general principles of the system;
- ❖ a well-founded system of evaluation of works and determination of the scope of the latter;
- ❖ meaningful and substantiated criteria for its measurement and evaluation;
- ❖ balanced standards, control over them, periodic review;
- ❖ clear alignment of incentives with performance;
- ❖ a reward, especially an additional one, not for the level of performance in general, but specifically for performance related to the quality of work" [114, 316].

The motivation system at the enterprise level should be based on certain requirements, namely: provision of equal opportunities for employment and promotion based on the criterion of labor productivity, matching the level of remuneration with its results and recognition of personal contribution to overall success; fair distribution of income depending on the degree of increase in labor productivity; creation of appropriate conditions for the protection of health, occupational safety, and well-being of all employees; providing opportunities for the growth of professional skills, realization of the abilities of employees, i.e. creation of training programs, advanced training and retraining; maintenance of an atmosphere of trust in the team, interest in the realization of a common goal, the possibility of two-way communication between managers and workers.

One of the main reasons for the inefficient labor incentive system in the countries of the post-Soviet space, including and in Ukraine, there is an alleged advantage of cheap labor, when large investments are made at the expense of minimizing wages. At the same time, the minimum wage system has a number of significant drawbacks. First of all, this is related to staff turnover and the deterioration of the quality of manufactured products and services. An employee disinterested in the results of his work is a real threat to the company because he is a real source of leakage of confidential information, he develops tendencies to sabotage assigned tasks, theft, creating an unhealthy climate in the team and forming a negative image of companies in society.

Studies show that a cheap worker is life-threatening for those around him. In conditions when a person is unable to satisfy his own needs and the needs of loved ones, he loses faith in himself, as a result - the company loses the opportunity to obtain added value thanks to the generation of energy and ideas of the employee, and loved ones (family) - the destruction of normal moral principles and values, which to one degree or another, they are passed on to the younger generation and lead to the degradation of society.

"The system of labor motivation should be based on the following factors: needs, motives, goals, rules of the game, action, goal achievement, satisfaction of old and emergence of new needs" [330, p.27].

The main principles on which the labor payment system should be based are: "providing the material needs of the individual; formation of effective motives for work - prestige and attractiveness of work; the possibility of self-expression of the employee at work; formation of a favorable microclimate in the team; ensuring hygienic and medical labor requirements; providing the employee with necessary household, educational and cultural needs; guaranteeing social security to the employee; favorable mode of work and rest" [114, p. 80, 81].

Labor motivations are an important element in the formation of the remuneration system of agricultural holdings. The basis of its formation is the tariff grid. Tariff rates are determined on the basis of the minimum wage. Hourly tariff rates are the basis for determining piece rates in accordance with the established norms of time, production, and service. The categories of work by categories of employees are determined according to the tariff and qualification guides.

For example, the wages of tractor-machinists on mechanized work in crop production are calculated for the actually performed amount of work of the appropriate quality, and the wages on tractor-transport works are calculated piecemeal, in accordance with the typical rates of production provided for such works, or the rates of production established on the basis of timing observations.

For the purpose of additional stimulation of tractor-drivers on mechanized field work in crop production, a quality management mechanism is being introduced.

For the actually performed work, in accordance with the established norms of production, wages are charged at the rate of 100% of the tariff rate. Then the chief agronomist of the branch, after determining the quality of field work, issues a quality assessment in the field card: "satisfactory", "unsatisfactory" or "rejected". Work performed with violation of the technological process, of low quality, which in the future will lead to a decrease in productivity, is evaluated as "unsatisfactory". An unsatisfactory rating deprives the employee of the quality bonus. Work that needs to be done anew (reseeded, plowing, etc.) or for the elimination of deficiencies of which it is necessary to make changes in the technological process and for the execution of which additional material resources are spent is considered "marriage". The work, which turned out to be defective due to the employee's fault and, accordingly, was rated as "rejected", is not paid.

For work recognized as high-quality, an additional payment for quality is made at the rate of 60% of the tariff rate.

The quality assessment of soil cultivation and moisture sealing is carried out immediately after the completion of these works. The assessment of the quality of sowing, application of pesticides and fertilizers is carried out after germination, i.e. after the effect of plant protection products and mineral fertilizers.

The amount of additional payment for quality can be reduced in case of violation of labor and production discipline by the mechanic, in particular, for each individual day - in case of being late for work - in the amount of 50%, non-fulfillment of the production norm due to the fault of the mechanic - in the amount of 100%, and for a month - in case of appearing at work in a drunken state - in the amount of 100%, failure to comply with the manager's economic order - in the amount of 50-100%.

Additional payments for work in conditions of increased health risk (harmfulness) are made in the amount of: 24% of the tariff rate - when working with poisonous chemicals; 12% tariff rate - when working with fertilizers, poisoned seeds.

Provided that the production task on the productivity of a separate agricultural crop is fulfilled by at least 100%, tractor drivers receive a premium supplement to the earnings received during the year from growing this crop.

The premium fund is calculated according to the percentage of the production task (100% or more). If the task is completed less than 100%, no additional payment is made. Workers' wages for manual work in crop production, which are performed by such workers independently (regardless of the work of the main unit - seeder, sprayer, fertilizer spreader, etc.) are calculated piecemeal, according to typical standards of production for the volume of work actually performed. In works that are not provided for by standard standards, production standards are established on the basis of time-keeping observations.

Labor compensation for manual work in crop production for workers who perform maintenance of the main unit (seeder, sprayer, fertilizer spreader, etc.) is calculated in the amount of 60% of the basic salary of the tractor-machine operator for the actual production rate. The chief economist of the branch is obliged to ensure labor rationing and reasonable calculation of labor costs.

The staff list for certain categories of employees, in addition to the basic salary (postal salary), may set a monthly additional salary in the amount of up to 25% of the postal salary.

The basis for withdrawing additional wages in whole or in part is the employee's violation of labor, production discipline or other actions that are contrary to the corporate culture of the enterprise. A request for full or partial withdrawal of additional salary is submitted to the general director (director of the branch) by a linemanager or a manager under whose functional authority this employee is.

For certain categories of managers (chief specialists and specialists of the central office and branches), in addition to the current one, under the condition of profitable operation of the enterprise, incentives based on final results are established.

The source of incentive costs based on final results is part of the net profit of the enterprise (for employees of the central office), part of the net profit of the branch (for employees of branches).

The premium fund is calculated based on the percentage of execution of the planned net profit. For example, if the profit plan is fulfilled by 120%, a factor of 1.2 is applied. If the profit plan is fulfilled by less than 100%, the bonus based on the final results is not calculated. Managers, chief specialists and specialists of the company's central office are awarded a bonus on the condition that the company fulfills the plan.

The bonus for the performance of the production task and the profit plan for chief specialists and branch managers is calculated by multiplying the average monthly salary by the bonus factor for each position (determined by the wage regulation) and by the factor of fulfillment of the profit plan.

The average monthly salary is calculated by dividing the income of the employee in the company in the current year, for which the bonus is calculated, by 12 (twelve) months.

The amount of the accrued individual bonus of managers, chief specialists and specialists of the central office and branches of the company may be increased in proportion to the performance of the profit plan.

The use of such a system of payment and labor incentives had a positive effect on labor results: employees who worked better and more efficiently began to receive higher wages; the straight-line dependence of the payment of the bonus on the performance of the variable norm had a positive effect on the reduction of non-productive costs of working time, and thus, the increase of labor productivity; the obvious dependence of the payment of the bonus on the quality of work contributed to the efforts of specialists to improve their qualifications; the dependence of the payment of the premium on the quality of work, which was evaluated, for example, by the condition of crops, led to a decrease in theft of seeds and plant protection products; the fairness of assigning bonuses for high-quality work, which can be clearly seen, has led to a reduction in staff turnover; the increase in variable production rates had a certain effect on the optimization of staffing; reducing theft,

At the same time, the implementation of this system of material labor incentives showed some shortcomings.

First of all, the implemented labor incentive system in production, where the final result depends on the collective work of many workers (soil preparation, sowing, fertilizing, pest control, protection and harvesting) over a fairly long period of time (six or more months), does not quite clearly provide for collective responsibility and collective reward.

Secondly, the direct connection of the bonus with the fulfillment of the variable norm, more precisely, the non-payment of the bonus in case of non-fulfillment of the variable norm, led to attempts to justify the reduction of the variable norm.

Thirdly, non-fulfillment of the variable norm in many cases is connected with ill-conceived managerial decisions of specialists and middle managers, who, in turn, do not always take into account the fulfillment of the variable norm when calculating the bonus.

Fourth, the existing wage system does not sufficiently control the size of the wage fund, and this weakens budgetary discipline, increases the amount of work not foreseen in the budget, and other expenses, which reduces the amount of profit and gives rise to skepticism among many employees about the possibility of fulfilling the profit plan and, accordingly, receiving a bonus for fulfilling the profit plan.

A system of rationing and premiums in animal husbandry has been developed. It provides for the payment of livestock workers, who are constantly engaged in the maintenance of animals, to be made piecemeal at the established rates for a unit of production or one head of animals. Estimates are calculated on the basis of the wage fund of a separate category of employees of the animal husbandry division and the planned volume of production.

Auxiliary workers who serve livestock are paid according to tariff rates and piece rates for the actual time worked, the amount of work actually performed on the corresponding types of work.

The source of funds for payment of labor is part of the income received from the sale of products.

The wage fund is established on the basis of typical standards of service by categories of workers, taking into account the peculiarities of keeping animals on each livestock farm and tariff rates for livestock workers. The remuneration fund for the personnel involved in the management and organization of production processes in the field of animal husbandry is determined by the staff list of the enterprise, approved by the general director.

The volume of production is determined on the basis of established service standards and the planned level of productivity, taking into account the difference in summer and winter periods.

Distribution of the wage fund of individual categories of employees between different types of products (works):

Substitute workers are paid according to the established rates, increased by

10%.

The staff list for all categories of employees, in addition to the basic salary (postal salary), may set a monthly additional salary in the amount of up to 40% of the postal salary.

The basis for the withdrawal of additional wages in whole or in part is a violation by the employee of labor and production discipline or the commission of other actions that contradict the corporate culture of the enterprise (implementation of actions that may cause material damage to the enterprise, appearing at work in a drunken state, theft, arbitrary use in equipment and company property for their own purposes). A request

for full or partial withdrawal of additional wages from an employee is submitted to the general director (director of the enterprise) by a line manager or manager under whose functional authority this employee is.

In dairy farming, the following groups of animals have been formed: dairy cows, first-born cows, heifers. Service rates and prices are calculated separately for each of the indicated groups of animals. When calculating wages, accounting for products and performed work is carried out separately for each of the specified groups of animals at established rates.

The main unit on the farm is a group of cows and calves, which determines the salary of all workers on the farm (Fig. 3.5). The entire team of the farm should be interested so that the hope or growth of the group is as high as possible, since their wages directly depend on it. On the farm, everything should be done in order to create all the conditions for the work of the milking machine, the calf house and to obtain the maximum productivity of the animals.



Fig. 3.5. Payment of labor in animal husbandry by agricultural

The salary of the machine milking operator depends on the volume of milk and prices for 1 ct of milk and is determined as follows: the price for 1 ct of milk for the agricultural holding is calculated based on the specifics of payment in each farm, taking into account the productivity and breed of livestock and its quality parameters; the price is differentiated taking into account the summer and winter period; payment for livestock care for one head in a group; charging for the calf's gain up to 21 days at

the rates of the prophylactic period; for taking turns during the day between milkings; for receiving a calf and transferring it to the senior group; the price for 1 ct of milk from first-born cows increases by 20% (provided that they are in special groups and not distributed by group).

3.4. Organization of work with personnel and directions for its improvement

In May 1999, the subsidiary company "Rise-Agroproduction" was created in the structure of CJSC "Rise", which included one Ulyanovsk branch of the Kherson region. The Sumy branch was established in November 2000, and the Ternopil branch in March 2001. In September 2001, SE Rise-Agroproduction was reorganized into CJSC Rise-Agro, to which SE Rise-Tavria was joined in December 2001, and in September 2003, the Lubensk branch of the Poltava region was established.

The central office of the company is located in Kyiv. The general director of the enterprise, the main specialists, organized and carried out practical management of agricultural production on the ground, provided production with credit funds.

The holding has implemented a classic approach to personnel management, which is characterized by treating people as "cogs" in the overall production process. This approach is focused on the authoritarian style of leadership, the desire to minimize the costs of encouraging employees, improving the qualifications of personnel, and solving social issues.

All management under such conditions is concentrated in the personnel department and aimed at ensuring the presence of the right people in the right place at the right time and getting rid of unnecessary ones [64].

Research shows that there are a number of issues that agricultural holdings have to solve in the field of labor resources when forming structural units. This is,

in particular, the formation of the optimal number of employees in accordance with the needs of production, because the number of structural units significantly exceeded the staff list. Workers were hired to maintain infrastructure and equipment that was not used in production, and middle managers saw staff expansion as a way to ease the work of managing divisions - two fitters, two drivers, etc., who could handle the work more easily than one. The existing family and household ties between employees influenced the expansion of staff and the calculation of wages.

The laxity of work with personnel and the practical lack of control of personnel, violations of labor laws, high turnover of personnel - the consequences of which were fines for violations of labor laws, dismissed employees filed lawsuits, unresolved labor conflicts led to spontaneous rallies, the tension of which was managed to be relieved only by the owners of the company.

The lack of clear job instructions led to "manual management", and as a result

- losses (mixing of seeds, theft of plant protection products, etc.). There were cases when the deficiencies in the work of branch specialists led to conflict situations (arrival to work, refusal of certain works).

The lack of personnel planning objectively caused by the needs of production leads to an increase in the number of employees, and this, in turn, to an increase in the wage fund, the amount of mandatory taxes from the wage fund, and also increases the costs of material resources with the help of which the employee performs his duties: defective tractor, car, cart, working horse, etc.

Scattered infrastructure, in addition to increasing the number of employees, leads to unnecessary expenses for the maintenance of farms, tractor crews, workshops, etc. (electricity, repairs, operation of equipment, etc.).

Family (neighborly) ties lead to the fact that employees are given any work that is not provided for by technological cards for receiving wages.

An inflated staff increases the costs of providing workplaces (medical examinations, certification of workplaces, technical inspections, labor protection costs, etc.) and material values (fuel and lubricants, spare parts, fodder).

To eliminate these phenomena, it is advisable to carry out effective personnel work, which involves optimizing the number of employees according to the needs of production, developing and implementing a collective agreement, instructions on the procedure for considering proposals, statements and complaints.

At the same time, as practice shows, staff optimization causes opposition from the grassroots management and employees, and it is not always immediately possible to carry it out to its full extent, since, mainly, the administrative reduction of employees was planned; insufficient attention was paid to the social factor in relation to the adaptation of laid-off workers, an individual approach to their possible employment in other positions, etc.

Therefore, it is advisable to introduce work motivation in production units, which will provide

bonuses for quality work and performance of production tasks. In the provision of payment, provide incentives and bonuses for the implementation of the profit plan.

In personnel work, the main attention was paid to the training of employees in working with personnel, the implementation of uniform standards in personnel accounting, and the preparation of personnel records. For this purpose, meetings with personnel inspectors and individual classes are held, as well as a 100% audit of all personnel documents and the elimination of identified deficiencies. In the responsibilities of personnel inspectors, additional responsibilities of recruiting, work with personnel and this position, renamed to the position of "personnel manager" with the corresponding salary, were introduced.

The effort to provide work to all those who want it in the village disperses the wage fund, when highly qualified professionals receive wages almost at the level of workers who perform non-mechanized manual work. The prestige of work is falling, unqualified personnel do not ensure high productivity of machinery and equipment. Costs not directly related to production are increasing, in particular, costs for medical examinations.

The above increases the cost of production, reduces motivation for efficient work, leads to the outflow of highly qualified specialists, slows down the processes of introducing new technologies in production.

At CJSC "Rise-Agro" regulatory documents provide for five levels of management. Functional line of management: directors of departments of CJSC "Rise" company - directors of departments of CJSC "Rise-Agro" - chief specialists of branches (Fig. 3.6).

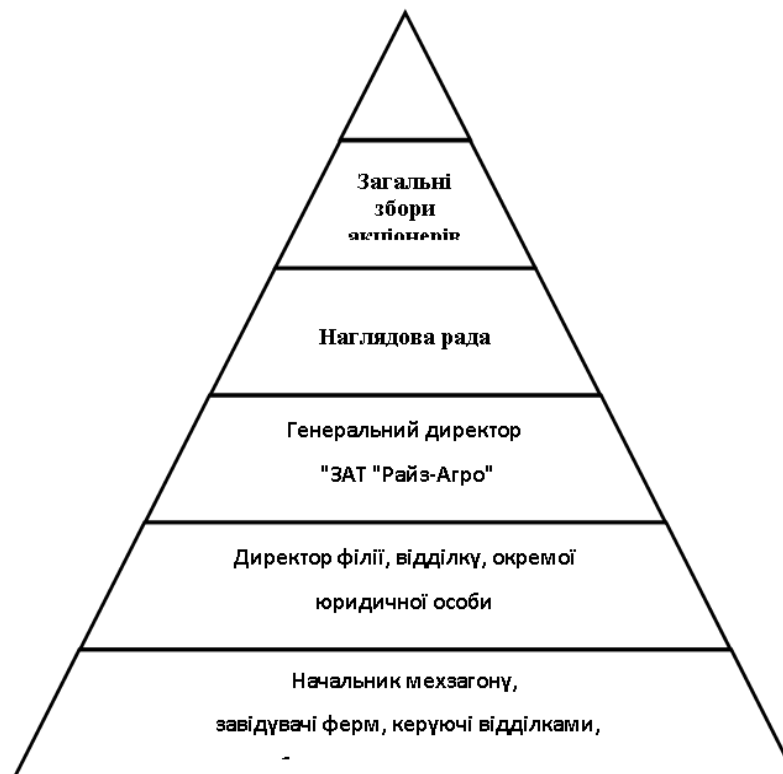


Figure 3.6. Management scheme of agricultural holdings

Source: author's research.

The top manager of the company directs efforts to create a single management center for the holding as a whole, but the lack of relevant management bodies (personnel, legal advisors, marketing, etc.) in subsidiaries, as well as regulatory regulation of this issue, does not give the appropriate effect, promptness and efficiency are lost administrative efforts. Thus, a personnel management department was created in the agricultural holding. The structure of the department and its place in the management structure of Rise CJSC are shown on the example of personnel management (Fig. 3.7).

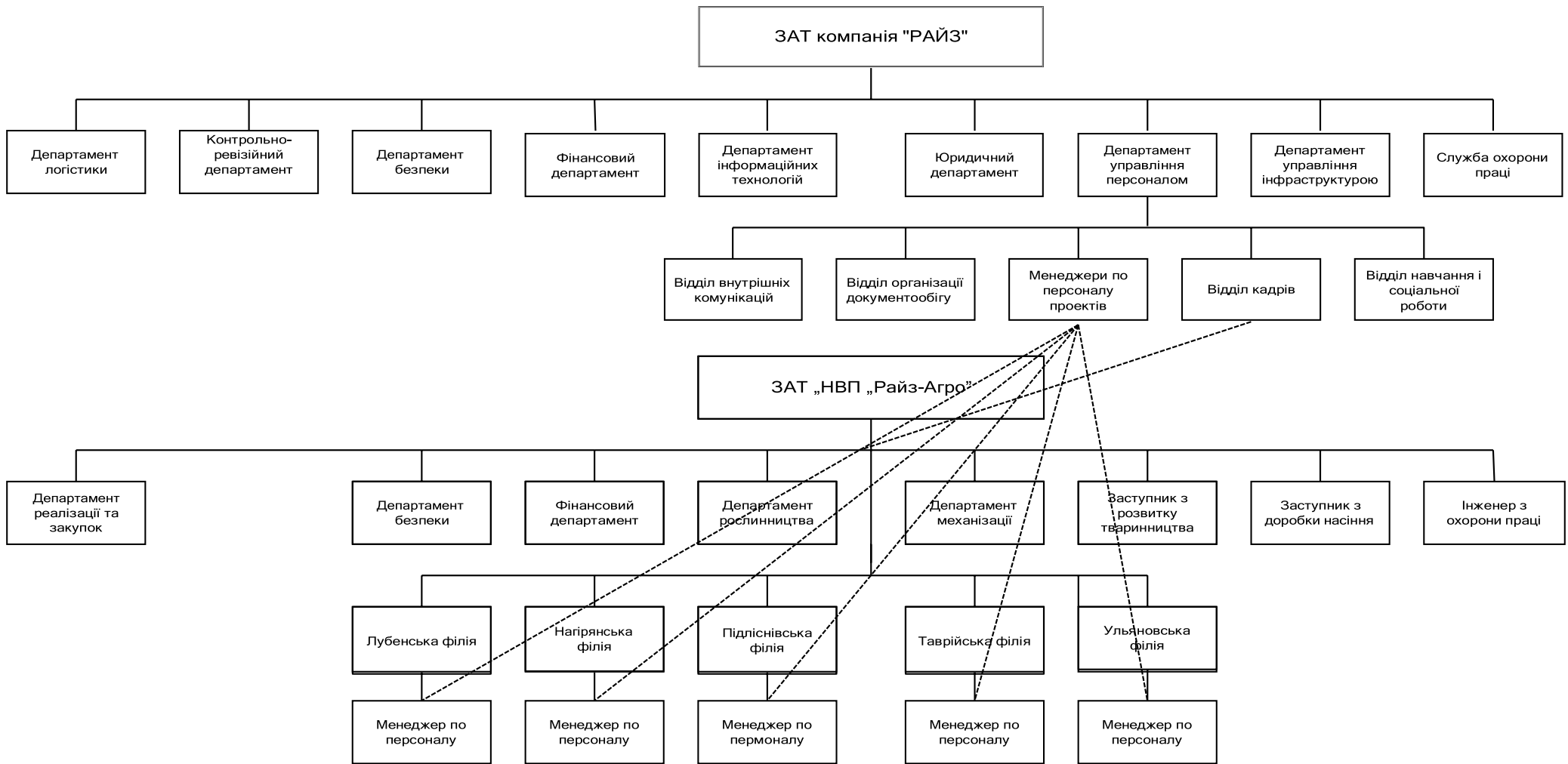


Fig. 3.7. Functional structure of personnel management of CJSC "Rise"

Source: author's research based on [64].

Dashed lines on the diagram show the most "effective" ways of administrative influence. The personnel manager (deputy director of the personnel management department for agricultural personnel issues), as the former director of the personnel department of CJSC "Rise-Agro", performs personnel management duties by inertia, has direct influence on the personnel managers of the branches in the organization of personnel work on the enterprise.

Personnel administration and accounting of employees of the central office, directors and chief specialists of the company's branches is carried out by the personnel department of the personnel management department of the holding. His duties include:

- to organize and personally carry out the work of providing the enterprise with employees of the necessary professions, specialties and qualifications;
- to organize the preparation of draft orders from personnel, and after signing, to deliver them to employees, to control the introduction of changes to personnel records documents;
- systematically study the business qualities of agricultural production workers in order to select personnel to fill positions and create a personnel reserve;
- to participate in the organization of advanced training of employees enrolled in the reserve and their preparation for work in managerial positions;
- to organize and participate in the certification of managers and chief specialists of agricultural production; organize timely registration, acceptance, transfer and dismissal of employees in accordance with labor legislation; to carry out methodical management of the work of personnel managers of branches of CJSC "Rise-Agro", to monitor the execution of orders and orders and other regulatory and legal documents on issues of personnel work by heads of divisions; organize timesheets, drawing up and executing vacation schedules, develop measures to improve labor discipline, reduce working time costs;
- to ensure the preparation of personnel accounting reports;
- to develop, together with the planning and economic department of the financial department of Rise-Agro CJSC, a system of payment and financial incentives for employees; to organize the work of the social insurance commission of the company.

The management structure of Rise-Agro CJSC is shown in fig. 3.8. Dotted lines depict connections and functions provided by the holding company's divisions.

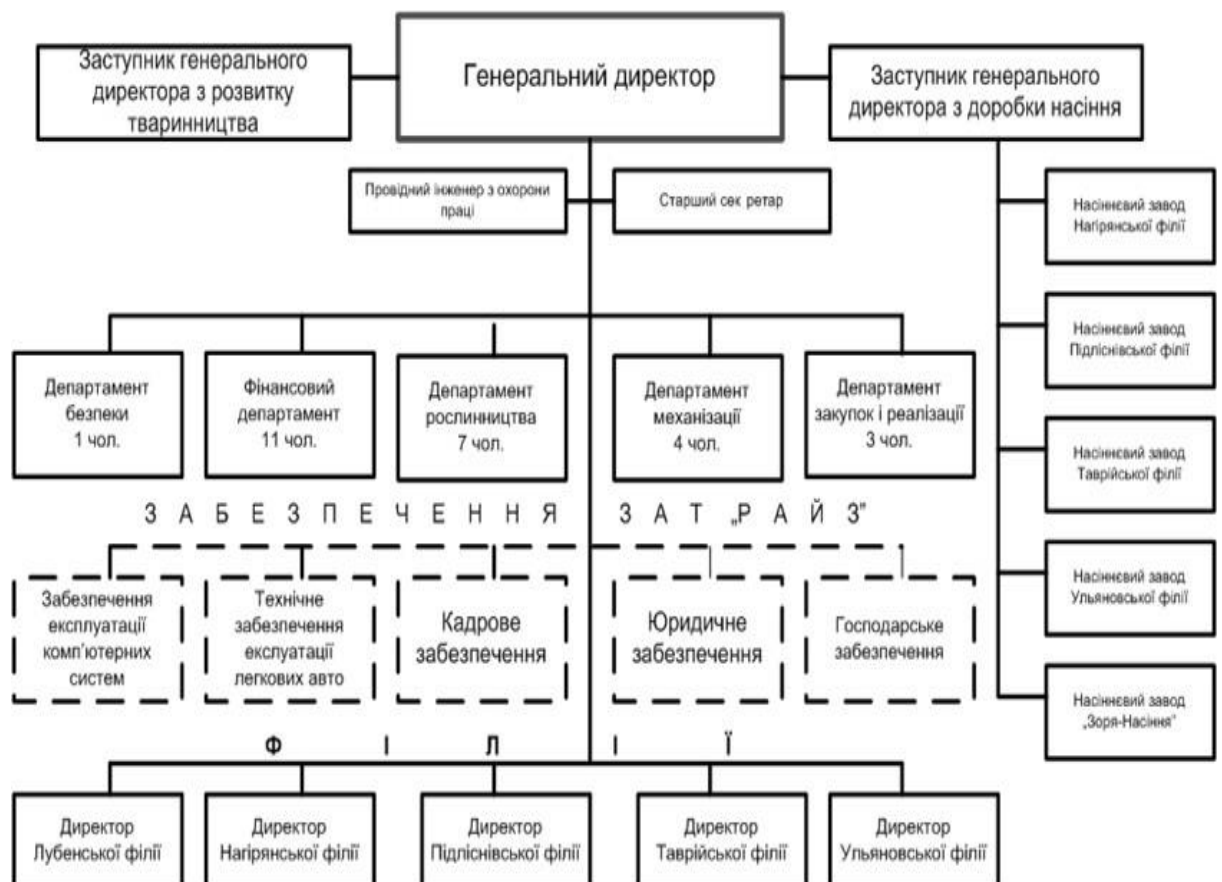


Fig. 3.8. Management structure of Rise-Agro CJSC

The principle scheme of branch management is presented on the example of the Tavriysk branch of the company (Fig. 3.9).

In the branch, the production site (cost center) includes: crop rotation, seed plant, livestock farm. If in the primary production area - a seed plant, a livestock farm - there are direct supervisors, then in crop production, the normative fixation of crop rotations by direct supervisors is not defined, therefore, a "conveyor" industry method of production can be traced here, according to which each specialist performs tasks in the field according to the sectoral direction of work (machineoperator, seed agronomist, plant protection agronomist, head of security service, etc.), and there is no person responsible for a specific field. Crop rotation costs are not controlled, that is, they are not amenable to detailed analysis. Motivation and implementation of the production plan in specific fields are not related.



Fig. 3.9. Branch management structure CJSC "Rise-Agro"

Source: author's research based on [64].

Functional managers, especially agronomists, issue orders regarding changes to technology that are associated with an increase in the volume of work and material costs. Such orders are not fixed, the expediency of such changes is not analyzed.

The analysis of personnel needs planning shows that the actual number of personnel exceeds the needs. In addition, the market nature of production requires the use of innovations and the introduction of intensive forms of production, therefore, even within the same enterprise, the latest forms are used differently. To compare the effectiveness of the use of intensive technologies, an analysis of personnel is carried out according to the following indicators: the amount of land cultivated by one worker

(in conditional hectares); quantity livestock served by one employee engaged in animal husbandry (conventional unit of livestock). Analysis of the economic activity of a group of agricultural holdings "Rise-Agro" and "Rise-Maximco" for 2005-2010 are given in the table. 3.1.

Table 3.1

Indicators of economic activity in the group of agricultural holdings and agricultural enterprises of Ukraine

Indicator	Group agricultural holdings*		Agricultural enterprises of Ukraine	
	2005	2010	2005	2010
The area of the village land, thousand ha	24.0	163.7	16254.3	18453.8
Total employees on average, people.	1402.0	5063.0	798630.0	518178.0
It belongs to rural areas. land per worker, ha	17.1	32.3	20.4	35.6
Average salary UAH thousand (<i>annual</i>)	7.5	30.8	4.2	13.1
Revenue from the sale of products (goods, works, services), UAH million	78.6	1531.3	26877.2	75590.7
Revenue from the sale of products (goods, works, services) per 1 ha, thousand hryvnias	3.3	9.4	1.7	4.1
Produced products (goods, works, services) by one worker, thousand UAH	56.1	302.4	33.7	145.9
Production cost, million hryvnias	64.9	1051.3	24639.0	62608.6
Earned profit, million hryvnias	13.7	480.0	2238.1	12982.1
Earned profit per employee, thousand hryvnias	9.8	94.8	2.8	25.1
A profit was obtained for 1 ha s.-y. land, UAH	571.9	2932.4	137.7	703.5
Salary in the structure of gross costs, %	24.9	17.6	14.4	9.1

*Rise-Agro, Rise-Maximco

Source: the author's research based on [64], data from the State Committee of Statistics, PROAGRO Information Service, "APK-inform".

The dynamics of the personnel of Rise-Agro CJSC is presented in fig. 3.10.

person

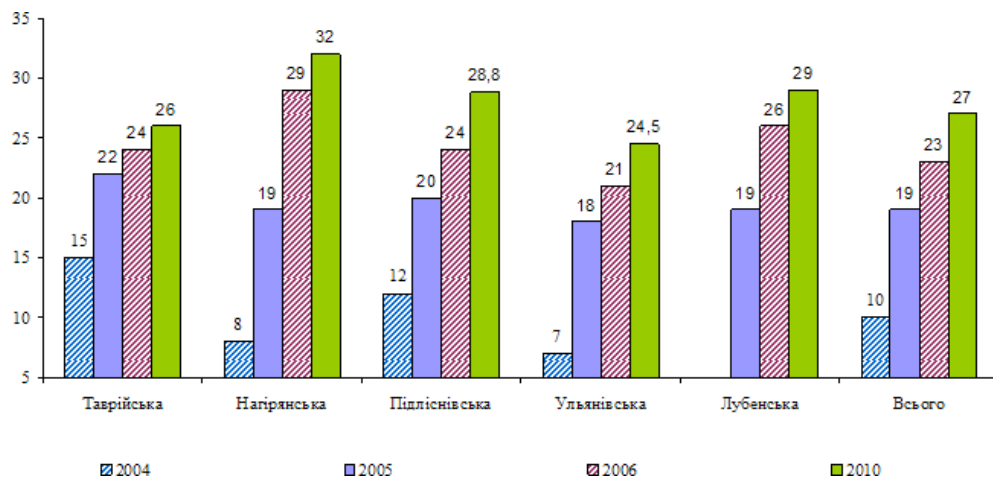


Fig. 3.10. Personnel dynamics of Rise-Agro CJSC

Source: author's research.

For clarity, a comparative analysis is shown: by the amount of land cultivated by one mechanized operator (Fig. 3.11), by the amount of livestock serviced by one employee engaged in animal husbandry (Fig. 3.12).

person

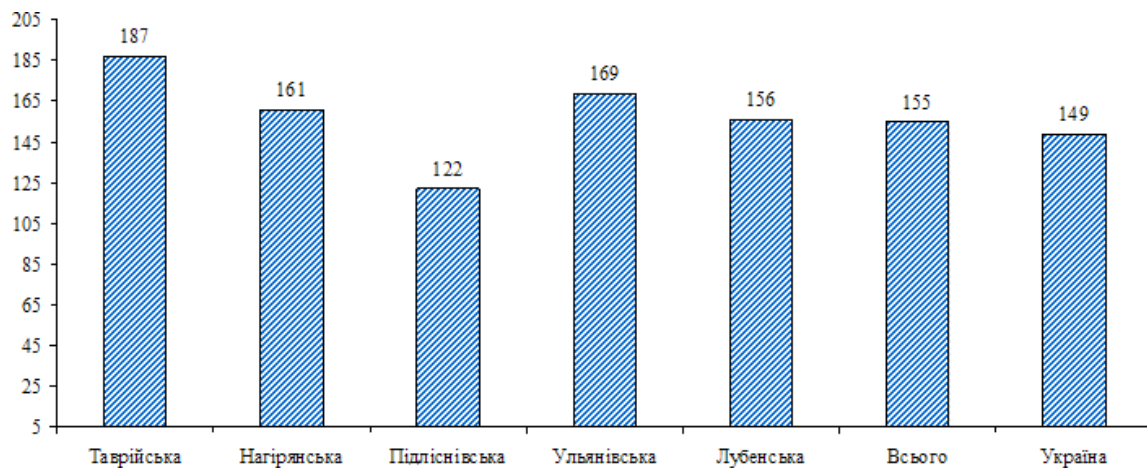


Fig. 3.11. Land security on the basis of one machine operator in the companies of the agricultural holding CJSC "Rise-Agro" and in Ukraine

Source: author's research.

person

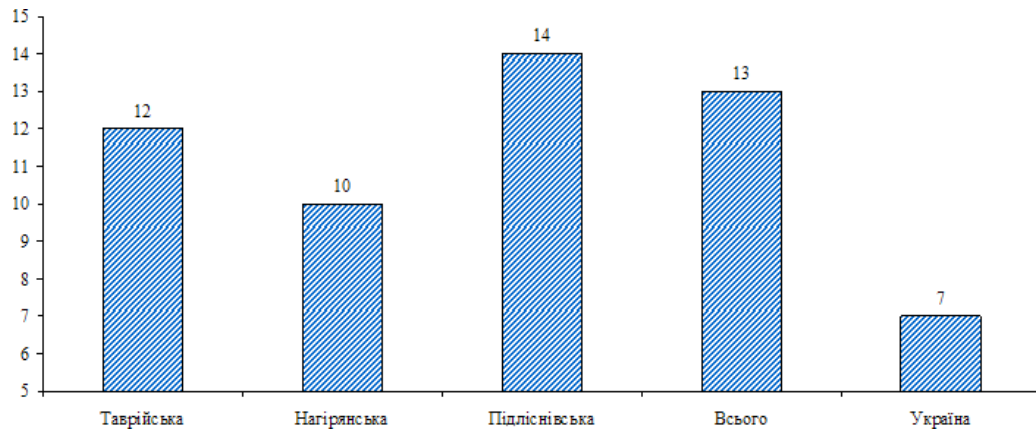


Fig. 3.12. The number of livestock (U.S.) per employee employed in animal husbandry in the companies of the agricultural holding CJSC "Rise-Agro" and in Ukraine
Source: author's research.

The analysis of the use of working time confirms that staffing is not optimized, branch directors keep staff with the prospect of involving them in the periods of the greatest production load during sowing and harvesting. However, during the off-season, such employees are also provided with work that is not caused by production necessity.

This is due to the lack of a regulatory document on the final accounting of working hours, which forces branch managers to take into account the unworked off-season working time and accordingly pay it with the prospect of not taking it into account during the period of a sharp increase in seasonal field work for overtime worked. If from a moral point of view it is possible to explain it to the majority of employees, then it is harmful for labor productivity, because the direct connection between the time worked, the work performed and the corresponding payment is lost.

This situation is confirmed by the analysis of the use of working time by branches in January 2006. It should be noted that January is the month of the lowest production load, mass vacations of employees. Work is being carried out in animal husbandry and seed factories. However, due to low temperatures, the seed factories did not work for about 10 days. From the analysis, it can be seen that, for example, 256 employees went to work at the Podlisniv branch every working day (a six-day work week is used), although the share of employees employed in animal husbandry is 89 people, and about 25 people are employed in seed factories.

Evaluation (attestation) of personnel, training and work with personnel reserve are important conditions of organizational work in an agricultural holding. An important role is given to the employee's career, which largely depends on his personal traits, attitude to work and the ability to find a common language with colleagues in solving certain production tasks. To a large extent, it represents the movement of an employee along the steps of the service hierarchy or a successive change of occupation both within a separate organization and throughout life, as well as the perception of such stages by a person.

The planning and control of a business career consists in the fact that from the moment of employment in the organization until the possible dismissal of the employee, it is necessary to organize systematic horizontal and vertical movement of him according to the system of positions and workplaces. An employee must know not only his short-term and long-term prospects, but also what results he must achieve in order to expect a promotion [64].

Transfers improve the moral and psychological climate, because long-term communication between managers and subordinates contributes to the disappearance of formality in the relationship between them, the weakening of discipline, the emergence of pan-fraternity, and therefore, the reduction of work efficiency.

Personnel management services plan the scheme of possible transfers taking into account the expected vacancies and stimulate personal career planning: promotion or demotion in the position with expansion of the range of duties and rights; an increase in the level of qualification, which is accompanied by the assignment of more complex tasks, an increase in wages, but the preservation of the position; a change in the range of tasks and responsibilities without a promotion and salary increase, i.e. rotation.

The career development program should ensure an increase in the level of interest of employees, identification of persons with high potential. The organization needs a constant analysis of career development opportunities and regular filling of forms reflecting work performance, evaluation of qualifications, knowledge, professional skills, etc.

In accordance with the Regulation on the formation of the personnel reserve of Rise CJSC, the personnel reserve is a specially formed group of employees from among managers and specialists who show high results in work according to the assessment of the immediate supervisor or according to the results of certification, which are recommended by the heads of divisions for nomination, and expressed a desire to be in the reserve.

Filling vacant positions with full-time employees is one of the priorities of personnel policy.

The replacement of management positions by employees who are in the personnel reserve is designed to create favorable conditions for both their professional and personal growth.

The entire responsibility for the formation of the personnel reserve is entrusted to the heads of divisions.

Organizational and methodological management of the process of formation and functioning of the personnel reserve, as well as the process of its training and development, is carried out by the personnel management department.

Annually, heads of units compile lists of candidates for the personnel reserve (based on the results of personnel evaluation or attestation) and submit them to the personnel management department.

According to the results of work with candidates, as well as based on the results of the evaluation, candidates are selected for the personnel reserve. The list of personnel reserve is approved by order.

Employees enrolled in the personnel reserve draw up career development plans, which must include: self-study and professional development in the job profile; temporary performance of duties for the position for which the employee is enrolled in the personnel reserve; internships and participation in joint working groups, quality circles, etc.

The approved personnel reserve list is the main source of nomination of candidates to fill vacant positions, provided they are sufficiently prepared at the time of the selection and according to their wishes.

Optimizing the number of personnel makes it possible to eliminate unprofitable production, transfer the social sphere to the balance of local authorities, and increase labor productivity. Thus, if at the beginning of 2004 one employee of the enterprise cultivated 10 hectares of land, then in 2005 - 19 hectares, and the plan for 2010 foresees - 27 hectares. With the introduction in 2004-2010 of modern forms of personnel management in the company, it became more structured, managed and effective.

It can be seen from Figures 3.13 and 3.14 that labor productivity (volume of sales revenue per employee) in the agricultural holding increased by 85% in 2010 compared to 2004, and the specific weight of wages in the cost structure increased by only 0.5%.

UAH per 1 ha

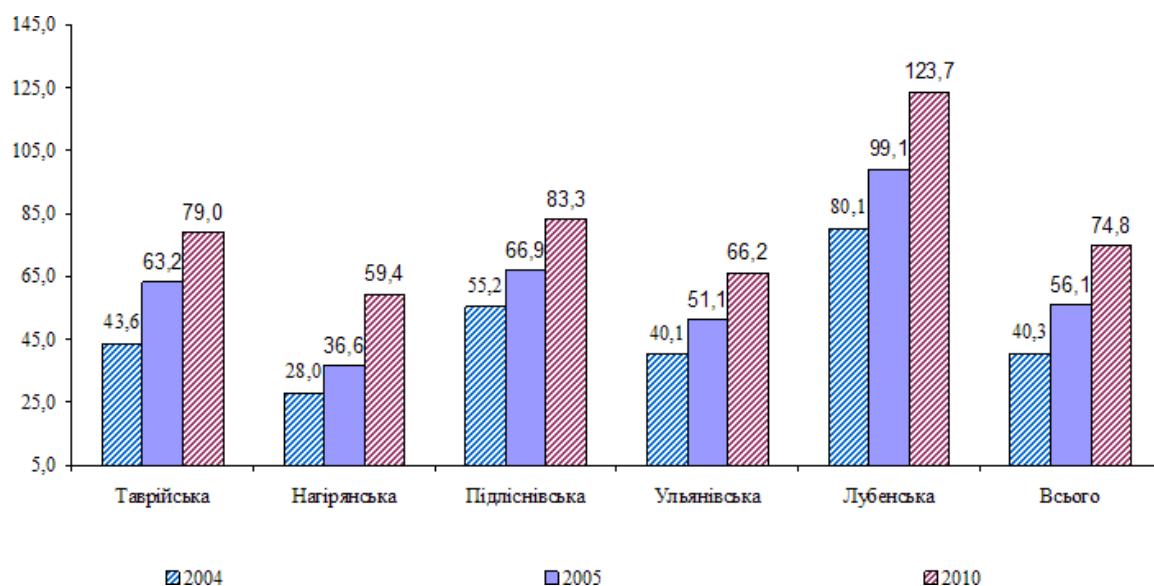


Fig. 3.13. Labor productivity of one employee at Rise-Agro CJSC, 2004, 2005 and 2010.

Source: author's research.

The average monthly salary at the company "Rise" in 2010 was 2.3 times higher than in agricultural enterprises of Ukraine, and amounted to UAH 2,508.

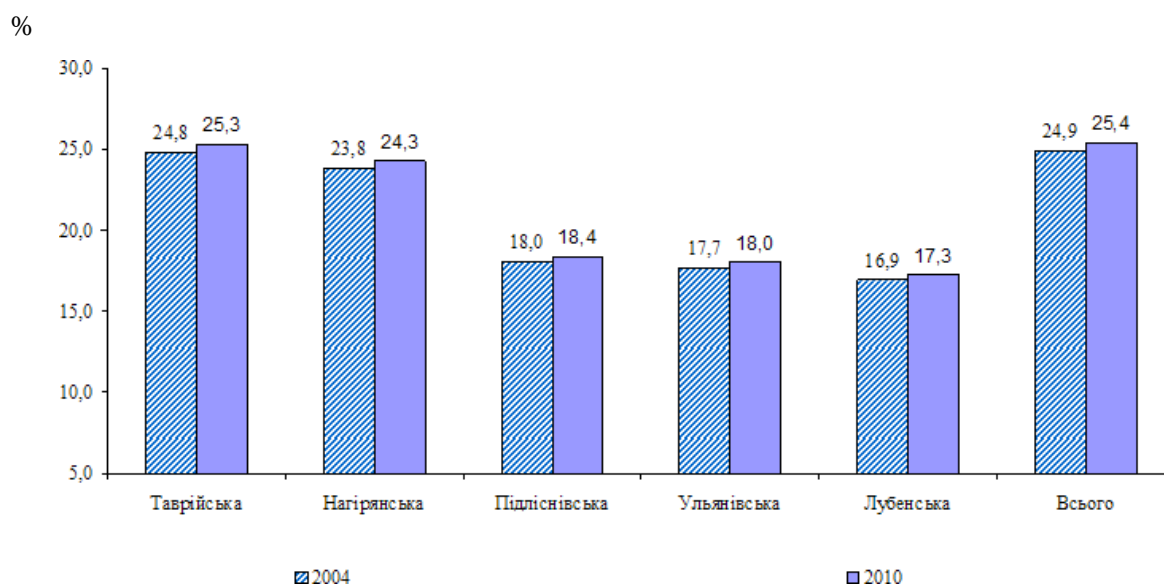


Fig. 3.14. The specific weight of wages in the structure of gross costs in the companies of the agricultural holding CJSC "Rise-Agro" in 2004, 2010, %

Source: author's research.

The study of organizational work with personnel in the company highlights some problems that reduce the effectiveness of personnel management. Due to the absence of a single management center for the enterprise, as well as the holding as a whole, as well as relevant management bodies (personnel management, legal advisors, marketing, etc.) in subsidiaries, the regulation of this issue does not give the appropriate effect, the efficiency and effectiveness of administrative efforts are lost.

At the enterprise, the competences of the main specialists of the central office and directors of branches are not defined by regulations. Decisions regarding production planning are made by the main specialists of the central office, and branch directors are responsible for the results.

In crop production, the "conveyor" industry method of production can be traced: each specialist performs tasks in the field (on the production site) according to the industry direction of work (machine operator, seed agronomist, plant protection agronomist, head of the security service, etc.), and there is no person responsible for a specific field. Crop rotation costs are not controlled, at least not subject to detailed analysis.

Attempts to eliminate the remoteness of those responsible from the production area by increasing security, when the security guard seals the fuel tank, protects plant protection products when they are applied to the soil, accompanies the grain transported from the field to the field, etc., are ineffective.

The effectiveness of personnel management is worsened by the administrative influence of the owner, a higher-level executive body on economic decision-making. In addition, it does not provide an opportunity to determine the efficiency and profitability of an individual enterprise, and has a negative effect on the motivation of personnel.

The presence of old equipment that is not used in production, the presence of family ties, and the desire to provide work for all employees affect the increase in the number of employees. Thus, during the off-season, employees are provided with work that is not caused by production necessity. Long distances between branches, lack of qualified personnel, lack of funds for the provision of social and living conditions for living of young professionals weakens the possibilities of attracting promising personnel in the countryside.

Salary and staff motivation, which are components of the social block, affect the climate in the team. The wage fund is formed "from the bottom up" based on the fact of "performed" work or accounting of "working" time without sufficient control from the middle and upper management levels in terms of volume, quality of work and quantity of products produced [64].

Motivation is affected by a certain conflict between the owners and employees of the enterprise, when employees are motivated by profit, and owners purchase fixed assets, thereby withdrawing funds from profit,

increasing depreciation deductions. These fixed assets, as a rule, are purchased with credit funds, which means that interest on servicing loans increases, which also affects the amount of profit. Work on the organization of training and advanced training of specialists and experts - economists, personnel managers, accountants, agronomists, heads of mechanical units, farm managers, etc.) has not been systematized. Specialists and experts do not feel the need for training, do not see their inadequacy with the position they hold, but put forward demands for payment of overtime time spent at work and their bonuses for it.

The mechanism for submitting and resolving appeals, complaints, proposals and statements is ineffective. Conflicts that could be resolved in a working order turn into court cases. Socio-political changes in society form a new employee who is aware of his rights and puts forward certain demands on labor protection and compliance with other norms of the current labor legislation before the owners. It is not uncommon for an employee to go to court to protect his rights.

So, as the analysis shows, from the point of view of management and production, the land area of the structural subdivision within 5 thousand hectares is optimal. At the same time, the optimal number of workers who can ensure the cultivation of these areas should be within the limits of one worker per 45 hectares of arable land. And the number of workers in animal husbandry should be determined from the load of 17 conditional heads per worker. The experience of livestock development shows that it is effective to consolidate small livestock farms up to 1,000 conventional heads on one farm. In order to optimize the losses of employees of canteens, grain mills, and sawmills, it is necessary to transfer them to self-supporting methods of work. With seasonal workers, the conclusion of fixed-term contracts should be actively implemented, with the remaining workers, for seasonal work. The amount of wages must be linked to productivity,

The development of agricultural holdings and the improvement of their economic activity depends on effective management.

In this regard, it is necessary, first of all, to approve the personnel policy of the holding by a regulatory corporate document (memorandum, corporate code, etc.), which will be substantiated: employment policy, which includes providing highly qualified personnel, creating attractive working conditions, guaranteeing its safety, creating opportunities for promotion in order to increase employee job satisfaction;

- remuneration policy, which consists in providing a sufficiently high, compared to other employers, salary, which would correspond to the experience, abilities and attitude of the employee to his duties, his labor contribution;

- training policy, which will provide for the formation of an appropriate training base, opportunities for professional development and realization of the aspirations of employees for professional growth;

- welfare policy, which is based on providing a wide range of social benefits and benefits, creating conditions that are attractive to employees and mutually beneficial for them and for the company;

- labor relations policy, which provides for the establishment of certain procedures to prevent the occurrence of labor conflicts.

Secondly, the personnel policy must be coordinated with the personnel strategy and must aim at: raising the prestige of the enterprise; study of the moral social and psychological climate within the enterprise; analysis of employee potential development; generalization of reasons and prevention of dismissal. Personnel policy should become a component of the entire production and management policy and form favorable working conditions, ensure the possibility of promotion, the necessary level of income of employees.

Thirdly, it is expedient to reform the structure of the personnel management department and to take as a basis the work of personnel managers in subsidiary enterprises and on the basis of co-operation in the functional areas of work with personnel: the head of the personnel department, the head of the personnel planning and recruiting department, the head of the labor regulation and motivation department, head of the personnel evaluation and training department, etc. This will allow personnel managers to understand production needs and organize work according to functional responsibilities. The management system in structural subdivisions should be formed on the basis of clearly defined cost centers and profit centers and the appointment of those responsible for costs and profit generation and the corresponding motivation of employees.

The technology of human resources management gives a synergistic effect, if the following conditions are observed in the holding, at a minimum: a relatively well-developed system of adaptation to the external and internal labor markets (individual career planning, training and retraining of personnel, stimulation of professional growth and personnel rotation); there are flexible work organization systems (quality circles, autonomous work groups); payment systems are used, built on the principles of comprehensive accounting of personal contribution (including the employees themselves) and (or) the level of professional competence (knowledge, abilities and skills actually acquired by employees); a fairly high level of participation of individual employees and work groups in the development and adoption of

management decisions related to their daily work is supported; the practice of delegating authority to subordinates is used; an extensive system of organizational communication functions, which provides bilateral and multilateral vertical, horizontal and diagonal connections within organizations.

"The personnel manager plays a key role in the development and implementation of the company's long-term development strategy" [20, p. 17]. This is a kind of "gray coordinate" that determines the fate of employees depending on the strategy and philosophy of the company's development, while ensuring a positive balance of highly professional personnel and their reserves at all production sites of the company and implements a policy aimed at creating a favorable moral climate in the company.

In order to establish effective management of production processes in agricultural holdings, the number of intermediate centers of management of production activity is decreasing. For this, as a rule, the sectoral principle of management is eliminated, instead managers (agronomists) of departments (1000-1500 ha) are introduced, who will be responsible for direct costs and production results.

The main cost centers will be crop rotations, livestock farms and seed plants. The director of the seed plant, managers of livestock farms and department managers are responsible for the cost centers. The latter will part-time perform the duties of agronomists in the areas of: seed production, plant protection, demonstration experiments. The center of profit will be the branch as a whole, and the person responsible for obtaining profit: the chief agronomist for the planned harvest, the chief zootechnician for the animal husbandry plan, the director of the seed plant for high-quality and timely finishing of seeds, and the deputy director of commerce of the branch for the sale of the specified products.

Planning in production should start with a specific production site, not the industry as a whole. Control and analysis of activity results should be carried out by the head of the production site.

It is necessary to implement a motivation system related to the efficiency of direct costs at the production site and the performance of the planned task for department managers, the director of the seed plant, and farm managers.

Motivate so that the producer takes care of his crop himself, and not a security guard protects fertilizers, plant protection products, crops, seeds, livestock products from their theft by the producer.

It is expedient to normatively distinguish the competences of the main specialists of the central office and directors of branches, as well as the principles of their motivation. When determining the grounds for bonusing branch directors, take into account the increase in fixed assets and their impact on the decrease in profit. It is possible to formalize labor relations in the form of a contract.

The basis of the budget should be a marketing plan, a production and investment plan, as well as a logistics plan.

Personnel selection must be carried out by a specially created internal corporate recruiting service of the company, for which it is necessary: establish contacts with educational institutions that prepare personnel for work in agrarian business in Kyiv and the regions. To conduct company days, consultations among graduates regarding employment, agricultural labor market, etc. in these educational institutions;

- create a bank of information about enterprises and specialists for direct recruiting at the company's place of business;
- to compile lists of graduates of vocational educational institutions of the region who have the prospect of working in the company;
- to compile lists of students of graduation courses of higher agrarian educational institutions who live on the territory of villages where the company leases land shares;
- to organize the selection of potential candidates to fill vacant positions from among promising part-time students who work at branches and graduate students who have expressed a desire to work in the company;
- transparently conduct a search for specialists among the employees of the holding's branches to work in the central office.

As for personnel planning, based on the fact that the intensity of production of agricultural products varies greatly throughout the year, the maximum involvement of the workforce falls on April–May and August–September, and the possibility of introducing a summary accounting of working hours (in agriculture – a calendar year) is proposed to be worked out and implement the normative document of the enterprise on accounting and use of working time.

Practice combining professions in periods of the highest seasonal demand for personnel (sowing and harvesting) with the corresponding material interest of employees: for example, combine engineer, office worker - dispatcher, wage worker, accountant, etc., with appropriate payment (surcharge).

Introduce the positions of marketer, logistics manager, auditor and organize work in the relevant areas.

Speed up the legal registration of property relations. Infrastructure, agricultural machinery, which are not used in production, should either be sold, or

preserved, or transferred to owners of property shares. Personnel involved in the use, maintenance or protection of this infrastructure should be offered other work, if available.

Due to the fact that optimization will require dismissal at the initiative of the enterprise, it is proposed to create a separate line of work in the personnel management department - "outplacement".

The functional responsibilities of such a personnel manager will be control over compliance with labor legislation, clear, maximally objective selection criteria, attachment to jobs, minimizing costs and obtaining savings, costs related to dismissal, openness, information, compensation and assistance in finding employment for workers who will be released, in particular, on behalf of the enterprise, they must normatively declare and monitor the implementation of declarations on ensuring the employment of citizens of villages during seasonal work; granting benefits to freed citizens in the cultivation of their homesteads; providing assistance in the adaptation of released workers through employment centers: conducting consultations with employment centers; to accompany released workers in their relations with employment centers; to provide legal advice on issues of labor legislation to released employees; guarantees of one-time social assistance payments to released employees; release, first of all, violators of labor discipline, truants and lazy people. Carry out dismissal procedures transparently, in compliance with current legislation; on the obligation to rehire laid-off workers in case of expansion of production.

To motivate work, the wage system should be gradually reformed, taking as a basis not so much the performance of work, but the quantity and quality of the products produced, which should form the size of the wage fund.

"The introduction of progressive forms and methods of labor organization and payment, strengthening of the dependence between the final results of activity and the size of the optimal remuneration, fair payment norms contribute to the formation of such qualities as responsibility, business acumen, entrepreneurship in employees of agricultural holdings" [42] Effective personnel assessment is of particular importance, as it is the basis for the selection and placement of new employees; forecasting the promotion of employees; rationalization of techniques and work methods; building an effective work motivation system; evaluation of the effectiveness of the activities of individual employees and labor teams in order to stimulate them. One of the forms of personnel evaluation is certification, the task of which is to: evaluate and, if necessary, correct the correctness of the choice of style and work methods of the employee in performing his official duties; determining the possibility of adding an employee to the personnel reserve, transfer to another position and the need for training; assessment of the employee's compliance with the qualification requirements of the profession (position) he occupies.

In most companies, personnel evaluation is carried out fragmentarily. At the same time, the lack of quality assessment of personnel leads to a decrease in work efficiency. External consulting companies should be involved in evaluating management personnel, primarily top management. The purpose of certification is to increase work efficiency, adjust the style and work methods of managers and specialists, determine measures for their further professional growth, training and development, as well as determine their suitability for the position they hold. Directors of departments, chief specialists and specialists of the company are subject to attestation. A specialist can undergo certification at his own will, in order to determine his business and professional qualities, the correctness of his chosen style and work methods.

Attestation should be carried out once every two to three years. For this purpose, attestation commissions (3–5 people) are appointed, from specialists in position no lower than the specialist being certified - members of the commission.

The employee who is to be certified must be familiarized with the characteristic feedback in advance, but not less than a week before the certification. For attestation, he needs to prepare a report on his vision of the direction of development of the enterprise (subdivision) within the framework of responsibility for the position, quantitative and qualitative indicators of his performance of official duties and on other issues related to his work at the enterprise.

The decisions of the attestation commission are of a recommendatory nature on the inclusion of the employee in the personnel reserve, on transfer to another job (with the consent of the employee) and on additional training. At the same time, in case of incompatibility of the employee to the position and the impossibility of his transfer to another job or his refusal to transfer, the commission in its conclusions proposes to dismiss him from work, in accordance with paragraph 2 of Article 40 of the Labor Code of Ukraine. Such a decision is a legal basis for issuing an order to dismiss an employee no later than two months from the date of attestation.

The attestation will allow rejuvenating the cadres of specialists of structural divisions, determine training needs, give impetus to self-study, reduce social tension and "exaggerated demands" for salary increases. In addition, the competence and responsibility of officials will be reviewed during the certification.

The qualification of labor resources determines the company's ability to implement innovative programs, expand production, improve product quality, and increase labor productivity.

The training of personnel at the enterprise is caused by the need to introduce innovations, new technology, and improve the skills of employees who master new areas of business (marketing, logistics, management accounting, etc.) into production.

Personnel training planning makes it possible to use the potential of employees without the additional search for highly qualified personnel on the external labor market, creates conditions for employee mobility, motivation, and self-regulation, as well as accelerates the process of employee adaptation to production conditions that periodically change at the same workplace. It is implemented in the form of seminars, balance commissions, trainings, correspondence forms of education. In order to improve the qualifications of employees of agricultural holdings, it is advisable to approve the draft Regulation on training and professional development of the company's personnel.

The purpose of introducing personnel training in agricultural holdings is to support the introduction of innovative technologies of agricultural production in companies and ensure the necessary level of personnel qualification, adaptation of newly hired personnel to work in the company, preparation of employees to take a position with a larger volume of work or rotational movement.

Short-term training outside the enterprise is carried out on a contractual basis between the employee and the company. The company lends funds for the employee's training, and the contract determines the procedure for monthly repayment of the loan within a year after the training. If the employee resigns from the company at his own will or due to a violation of labor discipline before the end of the year after training, he voluntarily undertakes to reimburse the outstanding amount of the training loan.

Practice granting loans to parents working at the enterprise to pay for the education of their children, students of the final courses of agricultural educational institutions, who are successfully studying and have expressed a desire to work in the company after graduating from the educational institution.

Organize a training module for branch directors: management, economic analysis, controlling, as well as training of employees who keep primary records.

On the basis of research, directions for improving labor relations and labor protection in agricultural holdings have been determined.

The directions provide for optimizing the final accounting of working hours, taking into account the specifics of work in agricultural production and in connection with the need to increase the length of the working day during the period of intense field work. For this purpose, it is proposed to normatively approve the norms of the duration of the working hours of employees for the calendar year, during the break between production cycles, to apply the norms of the duration of the working day of reduced duration (4-5 hours), and during the period of a sharp increase in the volume of work in production, to apply the norms of the duration of the working day of increased duration (until 10 o'clock).

In order to regulate the implementation of the rights to harmless and safe working conditions, preferential pension provision, benefits and compensation for work in unfavorable conditions, conduct attestation of workplaces according to working conditions, for which purpose create a permanent attestation commission for conducting attestation of workplaces according to working conditions, determine the chairman of the commission and set the term of certification.

Strengthen control over compliance with current legislation on labor protection: streamline the work of women at the enterprise, compliance with requirements for the organization of work in harmful working conditions, etc.

One of the main reasons for failures in planning is its separation from the strategic development of the enterprise. Personnel planning must necessarily be subordinated to the general plans of the organization. Quantitative and qualitative approaches to planning are distinguished. Some managers view HR planning as a numerical technique that helps chart the course of the flow of people (in, out, up, down, and across) different departments of the organization. Such people use an exclusively quantitative approach to personnel planning. Another group of people focuses exclusively on the individual needs of employees - individual promotion and career development. This is a qualitative approach to personnel planning. However, only the synthesis of qualitative and quantitative approaches gives the optimal result. It is appropriate to work out the main areas of organizational work with personnel: personnel policy and planning, recruitment, selection and adaptation of personnel, labor regulation and motivation, evaluation and training of personnel, career planning, as well as to reveal the structure, functions, rights and responsibilities of the management service staff

The main areas of personnel management improvement are:

- to reform the management system of structural units (departments, branches, separate legal entities that are part of the association, while clearly defining cost centers and profit centers; make changes to the system of payment and work motivation;
- normatively distinguish the competences of the main specialists of the central office and directors of branches, as well as the principles of their motivation;
- create an internal recruiting service;

- to optimize the number of personnel, taking into account the different intensity of production of agricultural products throughout the year;
 - introduce the positions of marketer, logistics manager, auditor and organize work in the relevant areas;
 - to reform the labor remuneration system, based on the quantity and quality of the products produced;
 - carry out personnel evaluation, including certification of management personnel;
 - to organize a training module for branch directors and training of primary accounting staff.
- The main directions of improvement of personnel policy:
- determination of the main requirements for personnel, taking into account the forecast of the internal and external situation, prospects for the development of the organization;
 - formation of new personnel structures and development of procedures for personnel management mechanisms;
 - formulation of the concept of remuneration, material and moral stimulation of personnel, taking into account the business strategy;
 - the choice of ways of selection, use, retention and release of personnel, assistance in mass layoffs;
 - development of social relations;
 - determination of ways of personnel development, training, professional development or mass retraining, which is connected with the transition to new technologies, promotions, stimulation of early retirement of persons who do not meet the new requirements and are unable to master new technologies and work methods; improving the moral and psychological climate in the team, the participation of ordinary employees in the process of managing the organization.

Conclusions to section 3

1. The survival of enterprises under market economic conditions is a complex and complex task. At the same time, the company's success depends on many factors, the main ones of which are: management competence, personnel training, organization of production processes, market risk management and optimization of financial and investment activities. These factors must be managed taking into account the company's single mission and long-term goals, which involves the effective use of the strategic planning system, the implementation of planned strategic development plans, their control and rational management of business processes.

2. Effective use of the latest equipment and modern technologies and production management systems is possible in combination with modern methods of working with personnel. Research shows that the majority of newly created agricultural holdings do not have a normative document on personnel policy, as a result of which the personnel manager is considered as something between the employee's guardian, who cares about healthy working conditions and a favorable moral and psychological atmosphere at the enterprise, and a specialist in labor contracts. This leads to the fact that personnel work is carried out in isolation from the company's development strategy. Employees of the personnel department, line managers are forced to work without imagining a personnel development strategy.

Labor motivation is an important condition in the management of production and economic activities of agricultural holdings. The requirements on which the work motivation system in the structural unit should be based are substantiated, in particular, the provision of equal opportunities for promotion based on the criterion of work efficiency, the creation of appropriate conditions for the protection of health, work safety, and the well-being of all employees, maintaining an atmosphere of trust in the team, etc. . On the basis of research, a classification of labor motivation methods was carried out, which includes economic (direct), economic (indirect) and non-monetary methods. Thus, economic (direct) includes unit and hourly wages, bonuses for rationalization, tuition fees, payments for maximum use of working time. Economic (indirect) provide for subsidized meals, additional payment for seniority, subsidized use of housing,

4. In ensuring the management of business processes in agricultural holdings, an important role belongs to budgeting - as a system of financial planning, accounting and control of income and expenses received from the activity of the enterprise. Budgeting is an integral part of the enterprise's production and financial plan. Taking into account the peculiarities of the structure of agricultural holdings, their production and financial activities, the work elaborates the process of drawing up a production and financial plan. The results of the study show that the development of a unified financial system of enterprise

management through budgeting can provide an effect within the framework of large agricultural holding structures, where each branch will function with clearly defined profit and cost centers throughout the production and financial process. At the same time, functional services are created within the framework of the central office to serve all divisions. A similar mechanism has been implemented in such large companies as "Rai", "Privat", "Astarta" and others.

5. Within the framework of solving the task, a study of the organization of work with personnel at CJSC "Rise-Agro" was conducted. The functional structure of the personnel management department, which provides for internal communications, organization of document flow, project personnel management, personnel issues, training and implementation of social programs and factors that reduce the effectiveness of personnel management, is substantiated. The basic requirements for managers and specialists of all levels, which are due to the need to strengthen organizational work with personnel, in terms of planning, recruitment, selection and adaptation of personnel, standardization and motivation of work, evaluation and training of personnel, career planning and personnel training, are highlighted. problems are highlighted,

The production activity of agricultural holdings requires fundamentally new requirements for managers and specialists at all levels. First of all, the task is to make a profit, to maintain and establish production on a new technological, resource and organizational basis, to ensure proper working and rest conditions. An important role in the adaptation of agricultural production to new conditions belongs to the introduction of new professions and the development of new areas of activity aimed at building a closed production cycle. In this connection, there is a need to strengthen organizational work with personnel, in terms of planning, recruitment, selection and adaptation of personnel, standardization and motivation of work, evaluation and training of personnel, career planning.

The main results of the research are published in the author's scientific works [77, 82, 85, 88, 92, 103].

SECTION 5

SOCIO-ECONOMIC ASPECTS OF THE DEVELOPMENT OF INTEGRATION PROCESSES IN AGRICULTURE

5.1. The significance of agricultural holdings in socio-economic development of the village

The transformation of Ukraine's agriculture to the conditions of a market economy in the direction of the development of agricultural holdings is a perspective for the development of agricultural production. "At the same time, the implementation of these measures necessitates the study of socio-psychological relations between teams of different industries and even industries. The rural population remains the most unprotected link in the chain of movement of material and technical resources and food to the final consumer" [43]. Processing monopolies, under the conditions of state liberalism in price policy regarding agricultural products, have the opportunity to access cheap raw material markets. And there is a large unorganized mass of product manufacturers on the market unable to protect their interests.

The study of socio-economic problems of the development of rural areas and socio-psychological aspects of perception of transformations and harmonization on this basis of relations between subjects of the agrarian market is an important task of economic science. Effective management of production is impossible without solving social issues, eliminating social tension and establishing partnership relations between agricultural holdings and the territories within which they conduct production. The development of the agricultural economy will largely be determined by the level of scientific and practical study of the social aspects of the transformation of agricultural production.

The decline of rural areas requires an in-depth study of these problems and the implementation of programs to improve the welfare of the rural population, a real assessment of the results of its work and social protection.

The revival of agricultural production is the revival of Ukraine, its independence and state sovereignty. Where production disappears, the social development of the village ends.

The development of agricultural holdings opens up new opportunities for peasants and local self-government bodies, creates prerequisites for the accumulation of resources in order to reproduce the social infrastructure of rural areas, increase the prestige of agricultural work, create new jobs, improve the demographic situation, increase the efficiency and increase the scale of agro-industrial production.

The revitalization of rural areas and the solution of socio-economic issues is possible only under the condition of changing the peasant way of life and industrial relations in the countryside, which should be aimed at the formation of an employee who is interested in the results of his work. Implementation of the strategy of socially-oriented production will allow to establish reproductive processes in economies and new areas of labor application and ensure the well-being of the population of rural areas.

The formation of agricultural holdings and the development of agro-industrial production on this basis is one of the main factors that determine the level of development of the social sphere of the village and the social welfare of the villagers. The creation of agricultural holdings is a model for the exit of agricultural production from the crisis through the development of a modern competitive agro-industrial complex, which would be characterized by the following criteria: the production of competitive products capable of meeting the needs of all sectors of the economy; implementation of scientific and technical achievements in production, effective use of new agricultural machines, material resources, technological systems; development of agricultural market infrastructure; rational use of land, implementation of resource-saving and regenerative technologies; high level of environmental safety; achievement of effective functioning of structural subdivisions of agrarian associations [148].

A clear confirmation of this is the positive trends of the revival of production in rural areas, starting from 2000, due to the increase in the number of enterprises with

a land area of more than 10,000 hectares, there is an increase in employment, an increase in the level of wages and the share of rent in the income of the population (Table 5.1).

tandards of agricultural development

Table 5.1

Year	Average annual salary of one worker, hryvnias		Deduction for wages of one employee, hryvnias		Rent for 1 hectare of leased land (arable land)	
	area of enterprises, thousands of hectares					
	up to 10 thousand ha	more than 10 thousand hectares	up to 10 thousand ha	more than 10 thousandha	up to 10 thousand ha	more than 10 thousand ha
2001	1439.2	1831.0	32.8	165.1	83.6	81.3
2002	1873.0	3011.4	52.3	499.9	96.1	96.1
2003	2179.1	2849.7	62.4	109.5	86.6	109.7
2004	3024.5	4220.1	89.5	155.9	115.7	110.6
2005	4038.0	5450.4	457.5	764.4	119.8	139.0
2006	5141.1	6815.3	590.4	804.8	125.4	138.0
2007	6591.3	7796.7	1108.2	1584.7	136.0	145.3
2008	9727.9	11401.8	2264.8	3107.8	191.0	216.0
2009	10549.8	13098.7	3123.4	4081.6	250.4	277.1
2010	12602.1	14862.7	4526.3	5310.2	302.5	359.6

Source: State Statistics Committee of Ukraine. Form No. 50-s.-g. "Main economic performance indicators of agricultural enterprises for 2009".

The development of agricultural holdings contributes to the improvement of the financial condition of the owners of land plots, especially for pensioners, whoseshare in the total number of landlords exceeds 50%. There are no wages and rent arrears in enterprises that are part of agricultural holdings.

The rent for land in 2009 was UAH 4.2 billion, or UAH 260/hectare. At the same time, only the 25 largest agricultural holdings, which control 10% of agricultural land, paid almost UAH 882.4 million in 2009, or 21% of lease payments(Table 5.2).

Table 5.2.

Amounts of rent for agricultural holdings

The company name	Area of leased land, thousand hectares	The cost of the annual lease, million UAH	Rent for 1 ha, UAH
UkrLand farm Invest	430.0	169.5	394.2
LLC "Ukrainian agricultural investments"	330.0	95.3	288.9
Myronivskyi LLC bread product"	280.0	84.7	302.4
Mriya Group of Companies	240.0	65.2	271.8
"HarvEast" (JSC "MMK named after Ilyich")	238.0	64.7	271.7
"Astarta-Kyiv" LLC	230.0	69.1	300.5
SE "Nafcom-Agro"	200.0	53.2	266.0
CJSC "Agroton"	150.0	45.0	300.3
Corporation "Privat-Agro"	150.0	43.8	291.7
"Loture"	101.0	29.1	288.2
"Stiomi-Holding" LLC	100.0	28.9	289.1
"Ukrzernoprom-Agro"	96.0	28.5	296.8
Sinthal Agriculture	100.0	29.1	291.3
"Ukrprominvest"	88.0	25.9	294.8
"Kernel Group"	85.0	25.8	303.2
CJSC "Industrialna dairy company"	85.0	24.6	288.9
In total	2903.0	882.4	304.0

Source: author's calculations based on public information.

In the future, the peasants will also take into account such criteria as the regularity of rent payments, the willingness of the tenant to increase its amount, and implement socio-economic programs.

The state requires tenants to pay at least 3% of the normative monetary value of agricultural land. The company "Astarta-Kyiv" pays its landlords from 3 to 5%. Competition between agricultural holdings for the best allotments also affects the increase in the price of land lease. The rent payments of large companies in most cases exceeded the average figure of UAH 260 per hectare in 2009 announced by Derzhkomzem. The company "Stiomi-holding" pays shareholders 3.5% of the normative monetary value of the land. Given the limited land resources and increased competition in the rental market, they may have an increase in rental payments up to 5-6% and even 8%.

Analysis of table data. 5.3 shows that there is a close relationship between the area of land use and social payments. The calculations shown in the table show that with the increase in land use, there is a tendency to increase the average annual salary of one worker, deductions and rent per hectare of arable land. Thus, the group of enterprises with an average size of more than 15,000 hectares during 2005 and 2009 provides the largest amount of social payments.

The objective technical and economic advantages of agricultural holdings over small enterprises are

as follows: a higher level of labor productivity; lower costs per unit of production; savings in capital and operating costs per unit area; greater opportunities for rational organization of production, use of technology, achievements of science and progressive practice; storage and sale of products in better terms and of higher quality, etc.

The creation of agricultural holdings is a step forward in the development of the agricultural economy, the restoration of social infrastructure, the creation of new jobs and the construction of a new model for the development of rural areas. Their formation takes place in an evolutionary way, but in a rather short time, which led to an increase in social tension in rural areas. Agroholding is a fundamentally new form and style of management, based on market principles, which contradicts the traditions of the collective management system, and is a catalyst for the awakening of the agricultural economy, which encouraged people to work. A fairly short period of capital entry into agriculture strengthened the rejection of the new form of business, given its aggressiveness in the struggle for survival and the absence of other "living" forms of business,

Table 5.3

**Socio-economic parameters of production development depending on
ze health insurance**

Groups by arable land area, ha	Mr. gifts	The area of the village land, huh	including arable land	Average annual salary of one worker, hryvnias	Including		Deduction for wages of one employee, hryvnias	Rent for 1 hectare of agricultural land, UAH
					prostrate plants	tva-ryn-knockd own		
2005 year								
201–500	1057	455	350	2956	2666	3408	359	73.8
501–1000	1704	903	747	3222	3233	3201	365	86.6
1001–2000	2406	1628	1455	3687	3599	3830	411	106.4
2001–5000	2160	3261	2991	4394	4282	4576	498	114.7
5001–10000	308	6812	6374	5128	5049	5277	584	120.5
10001–15000	35	12311	11879	5205	5007	5644	613	139.5
More than 15,000	20	30393	27901	5606	5455	5825	861	123.0
In total	7690	2096	1891	4115	4016	4282	474	110.4
2009 year								
201–500	1155	412	351	9008	7717	10902	2667	177.9
501–1000	1645	820	736	8719	8612	8979	2597	203.7
1001–2000	2536	1522	1436	9877	9678	10329	2930	238.9
2001–5000	2132	3183	3019	11170	10588	12370	3305	243.0
5001–10000	399	6944	6664	11702	11246	12753	3449	250.0
10001–15000	66	12267	11944	15483	13415	18621	4986	284.1
More than 15,000	61	32871	31675	12146	11666	13538	3720	261.9
In total	7994	2259	2136	10924	10402	12057	3264	242.7

Source: State Statistics Committee. of Ukraine Form No. 50-sg "Main economic indicators of agricultural enterprises for 2009".

Holdings not only support the social infrastructure that has developed around enterprises, but also implement programs aimed at developing corporate solidarity among employees, increasing their level of social security, and creating conditions for comprehensive development of employees. Costs in the social sphere are in most cases compensated by the increase in labor productivity associated with employees'

awareness of their responsibility to the team, the acquisition of new work skills, and confidence in the future [22].

For the agricultural holding, the priority is to obtain an economic effect - profit, and for society - to ensure the moral and material benefits of the local community. The effectiveness of a specific enterprise and the public good are always in conflict. Achieving harmony in relations between two subjects and forming a balance of interests is an important task of economic science. Under the current conditions, the needs of society for the implementation of social issues significantly exceed the income from tax payments paid by enterprises.

Motives for the implementation of social programs: 1) traditions and the structure of social activities of enterprises, formed during seventy years of Soviet power, when enterprises maintained the social sphere; 2) the dependence of companies' activities on mutual relations with local authorities; 3) the moral desire of managers and owners of companies to provide assistance to people.

Corporate social projects and programs are divided into two groups. Internal social programs are aimed at the development and social support of our own staff. However, they are often interpreted too broadly, calling them social projects. For example, they include actions and decisions aimed at improving qualifications, training employees, which is a mandatory element of the personnel services strategy and is caused by the need to increase the competitiveness of employees and the enterprise as a whole. This is one of the functions supporting business development [22].

Research shows that a large part of agricultural holdings, to one degree or another, are engaged in charity.

Among the social measures implemented by investors during 2007–2010 in the Zhytomyr region are: provision of practical assistance to village councils regarding the improvement of villages, production of design and estimate documentation for geodetic works (for gas supply in Lubarsk and other districts), opening of dispensaries, road repair, the purchase of New Year's gifts for schoolchildren, the purchase of buses for transporting children to schools and gymnasiums, and the allocation of funds for the celebration of festive events by schoolchildren, etc.

Most of the companies provide targeted assistance to schools, children's institutions in terms of providing free lunches, holding cultural and mass events related to the celebration of holidays.

Financing of the social sphere (school canteens, kindergartens, clubs) is carried out at the expense of funds allocated for sponsorship.

Limits on social activities are set in agricultural holdings. For example, the Astarta-Kyiv company, which leases 150,000 hectares of land in Ukraine, allocates 1% of its profit to the implementation of social programs. In 2003, CJSC "Rise" established an equestrian school. "Agro-Alfa" company finances football teams. The social factor of the company's activity is primarily related to the fulfillment of obligations under land and property lease agreements. In the conditions of significant delays with payments, agricultural holdings are settled on time for the commitments made. An important social factor in the work of companies is compliance with labor legislation, employee benefits, and timely deductions to budgets at all levels.

In order to restore mass cultural and sports work, some agricultural holdings organize their own sports teams from among the employees of structural units and hold intra-farm tournaments. An example of this is the economic activity of the company "Rise". In order to improve the organization of mass cultural and mass sports activities in agricultural higher educational institutions, periodic reviews- contests of amateur artistic activities, sports competitions, etc. are held.

Agropromholding "Astarta-Kyiv" took over the patronage of schools located within the territories of its activities, in particular the Yareskiv secondary school named after Borodko, Shishatsky gymnasium, Mykhailiv special boarding school, Velikosorochyn boarding school for children with mild and waning forms of tuberculosis. Agroholding supports churches and monasteries, in particular the Mgar Monastery, the St. Michael's Church. Since 2009, the agricultural holding has implemented Social Responsibility Contracts, which define the directions of its cooperation with local communities within the territories of production activities. The needs of communities are regularly assessed, and a balanced and responsible policy of presence in the regions is carried out, aimed at demonstrating a strategy aimed at positive impact and stable regional economic development (schools and preschools, hospitals, libraries, cultural centers, homes for the elderly). The budget of social programs for 2008-2009 amounted to about 10 million hryvnias. or UAH 62 per hectare of cultivated land [287, p. 262].

"The SvarogWestGroup corporation has an information and social policy department that comprehensively studies, analyzes and, in cooperation with local self-government bodies and territorial communities, financially contributes to the solution of the most pressing issues in the field of education, medicine, spirituality, and improvement" [287, p. 262]. Agreements on social partnership were concluded with local communities, within which the company allocated UAH 1.5 million in 2008. or UAH 10 from each hectare of cultivated land to meet the social needs of settlements. "The company implements the social investment program "With the people and for the people", which provides for the possibility of additional

financial and logistical support for the initiatives of territorial programs to address social needs. According to the results of the national competition "Benefactor of the Year 2007", she was awarded the honorary title of "Benefactor of the Year in Khmelnytskyi Region" [287, p. 262].

JV "Nibulon" LLC is an example of social responsibility of business. The company has developed the program "Nibulonskiy Standart" according to which the social doctrine of the company is implemented. The company pays serious attention to the re-equipment of schools. State-of-the-art equipment is being purchased for medical institutions, which allows the treatment of many serious diseases. 1.6 million hryvnias were spent on the implementation of this program. "Funds are allocated for the development of infrastructure, the repair of city roads in Mykolaiv was financed (the connection between Namiv and Zhovtnevo Avenue), the gasification of the Domanivka district center and a number of streets in the villages of the district was carried out, and the gas supply to the village was financed. Pribuzhya (kindergartens and 57 houses were gasified), two streets in the village were gasified at the expense of the enterprise. Shyroky Lan. In 2007, the company donated a wooden fortress to the "Gorodok Skazka" children's entertainment center. Thanks to "Nibulon" [287, p. 262].

The lease mechanism allows agricultural holdings to create an enterprise of the desired size, to reveal their best entrepreneurial abilities, to optimize the structure of land use, to create effective structural subdivisions, and to partially solve the socio-economic issues of rural areas.

Along with technologies, new management, new management systems and the transfer of part of the social benefits available to the urban population are involved in agriculture. In particular, it is the gasification of settlements, the development of telecommunications: the Internet, mobile communications, satellite television. At the same time, the legal awareness of the population in terms of protecting their rights has increased, in particular, the appeal to the relevant regulatory bodies and courts, which, in turn, did not allow the former to conduct their relations with employees as former "collective farm workers".

The social impact of a project or program should be understood as the results of any public, public or private initiatives that affect how people live, work, have fun, relate to each other, organize themselves to meet their needs and generally function as members of society [22].

Agricultural holdings introduce programs of social responsibility, they help universities train high-class specialists, implement programs to help orphanages, improve the infrastructure of Ukrainian cities, finance film and literary contests and do not forget about charity.

Management needs personnel capable and ready to work to achieve the company's goals. Motivation, loyalty, commitment of the staff are the most important factors of the company's success. Internal social programs can and should directly influence the positive development of these characteristics, the attitude of employees to the organization of their own work in it [22].

An important task in this context is the formation of a center for the implementation of social programs, for which agricultural holdings are creating a new position - the manager of social programs.

"Introduction of progressive forms and methods of labor organization and payment, full state self-sufficiency, strengthening of the dependence between the final results of activity and the amount of remuneration contribute to the formation of such qualities of an employee as responsibility, business acumen, entrepreneurship" [41]. This largely accounts for the increase in labor productivity in agricultural holdings compared to other agricultural formations.

The total need for funds to reform the social sphere of the countryside in Ukraine amounts to UAH 5.7 billion, incl. by 2011 – 2.6 billion UAH and by 2015 – 3.1 billion UAH. per year It is clear that agricultural holdings will not be able to take on such a financial burden, therefore a comprehensive state program for the development of rural areas is needed. At the same time, agricultural holdings are the main task of creating new jobs and providing adequate wages [220].

The creation of agricultural holdings is a model for the revival of agricultural production and, on this basis, ensuring the food supply of the people of Ukraine at the level of rational nutritional standards, providing raw materials for industry, increasing the labor employment of peasants, raising their wages to the level of workers in industrial industries, increasing the welfare of peasants and the social development of the Ukrainian countryside.

Summarizing the experience of the operation of agricultural holdings in the agricultural sector allows us to determine their main competitive advantages. The members of the association get access to new opportunities, which strengthens their competitive positions, ensuring the growth of profits and sales volumes. Local self-government bodies are interested in the growth of tax revenues, the creation of new jobs, and the implementation of social programs thanks to the improvement of the financial condition of enterprises that are part of agricultural holdings. Financial institutions, primarily credit institutions, benefit from associations, because the risk of non-repayment of loans issued to enterprises decreases, as agricultural holdings master new technologies in management and production, strengthen their competitive positions, reach a higher level of development, move from mutual competition to mutually beneficial cooperation.

5.2. The state of the social sphere and mechanisms of influence of agricultural holdings on its development

The revival of production thanks to the creation of agricultural holdings and the arrangement of social infrastructure facilities in rural areas is of quite great importance for ensuring the livelihood of the rural population, as it provides a complex of services for the multifaceted service of people, the creation of conditions for the reproduction of forces in non-working hours, and the cultural development of peasants, who historically are carriers of ethnic culture.

During the times of the Soviet Union, collective agricultural enterprises were on the balance sheet of the social sphere. In market conditions, the development of rural infrastructure is a function of local authorities, which are unable to ensure its proper functioning due to the lack of sufficient sources of funding. The revenue base of local budgets consists of four tax sources: revenue from local taxes; fixed tax income; regulated income; transfer income. Since non-tax revenues (or rental income) make up almost 59% of the income of village councils, the effectiveness of the functioning of the social infrastructure directly depends on the rent payments for the land, as well as the objects of the infrastructure itself. An important factor in this context is the expansion of the spheres of application of human labor and the development of entrepreneurship.

Yes, Art. Five RUs "About entrepreneurship" provide for: free choice of types of activities; involvement on a voluntary basis in the implementation of entrepreneurial activity of property, land plots and funds of legal entities and citizens; independent formation of the activity program and selection of suppliers and consumers of manufactured products, setting prices in accordance with legislation; free hiring of workers; attraction and use of material and technical, financial, labor, natural and other types of resources, not prohibited or limited by legislation; free disposal of profits, implementation of foreign economic activity.

The development of agricultural holdings contributes to the formation of a competitive environment in agricultural production. In our opinion, competition will become more tangible with the arrival of new agricultural holdings in agricultural production. Its spread in the future is inevitable, taking into account the limitation of agricultural land as a production resource and the steady growth trends in the demand for food products. The need for the formation of agrarian associations and the need for their development for rural areas is evidenced not only by the increase in rental payments, but also by the creation of new jobs and the filling of the revenue part of budgets at all levels. One of the important criteria for the functioning of agricultural holdings is the preservation of existing property complexes and the development of new enterprises on this basis, proportional to the growth of agricultural production, an increase in the rent for land,

Social payments, including wages, in agriculture are the lowest compared to other areas of the Ukrainian economy.

This is explained both by the difficult situation of the vast majority of enterprises in the agrarian sphere, and by their almost monopoly position as employers on the labor market in rural areas. In order to stay "afloat", employers maintain a low level of wages, and those who are dissatisfied are fired, attracting in their place workers from outside without special requirements. From the table 5.4 it can be seen that in agricultural enterprises, with an increase in arable land, indicators of economic activity and the level of payment of employees increase.

Dependence of indicators of economic activity

from the availability of agricultural land in agricultural formations by groups of enterprises,
depending on the salary of one employee

Groups by salary of one worker per year, hryvnias	Number of farms	Average annual salary of one worker, hryvnias.	Area s.-g. land, huh	Including arable land, ha	Gross agricultural production per 100 hectares s.-g. land, UAH	Gross production output per 100 hectares of arable land, hryvnias	Labor productivity, thousand UAH per employee
Up to 6000	2299	4059	1252	1151.4	157	123	53
8000	1694	7009	1600	1494.8	214	132	76
10000	1674	9053	1829	1722.0	215	136	72
12000	1219	10995	2413	2279.2	199	150	68
More than 12,000	2302	16823	2861	2720.0	313	173	105
In total	9188	11141	1979	1861.0	239	149	81

Source: State Statistics Committee of Ukraine. Form No. 50-s.-g. "Main economic performance indicators of agricultural enterprises for 2009".

"Consumer spending per household member in rural settlements is 23% lower than in urban areas, but the gap between rural and urban population reaches 1.7 times in terms of consumer spending. At the same time, the monetary expenses of a rural resident are lower than those of a city dweller: for goods and communication services – by 3.1 times, recreation and culture – by 3.2 times, education – by 2.4 times. In order to obtain income, which is necessary for the purchase of industrial goods and services, the villagers are forced to deny themselves adequate nutrition. The level of consumption in the countryside, per capita, is lower than in the cities: fish and fish products - by 18%, meat and meat products - by 27%, fruits, berries, nuts, grapes - by 44%" [223, with. 12].

The recovery of production thanks to the activities of agricultural holdings ensured a 25% increase in the consumption of all basic food products.

The increase in production volumes, thanks to the development of integration processes, as well as the improvement of the quality of food products with the simultaneous growth of the purchasing power of the population contributed to the

increase in the consumption of basic food products and stimulated additional investment in the industry.

On average, one person consumed 52.0 kg of meat and meat products, 205.5 kg of milk and dairy products, 290 eggs, 14.5 kg of fish and fish products, 37.0 kg of sugar, 14.6 kg of oil and other vegetable fats, 127.5 kg of potatoes, 144.1 kg of vegetables and melons, 44.0 kg of fruits, berries, nuts, grapes, 111.0 kg of bread and bread products (Table 5.5).

The turnover per person in rural areas is 3.3 times lower than in urban settlements and amounted to UAH 345, which is almost equal to the average for Ukraine (UAH 341).

The implementation of land reform and the creation of new market-type agricultural formations created conditions for the restoration of reproductive processes in the economy. At the same time, destructive processes in the industry led to a reduction in the income level of the rural population and reduced access to meeting their own needs.

During the period from 1999 to 2003, the network of rural preschools decreased by almost 16%.

Table 5.5

Consumption of basic food products by the population of Ukraine
(per person per year, kg)

Food	Minimum norms 1	Rational norms ²	Year				2010 to 2009 %.
			1990	2000	2009	2010	
Meat and meat products	52	80	68	32.8	49.7	52.0	104.6
Milk and dairy products	341	380	373	199.1	212.4	205.5	96.8
Eggs, pieces	231	290	272	166	272	290	106.6
Bread and bread products	94	101	141	124.9	111.7	111.0	99.4
Potato	96	124	131	135.4	133.0	127.5	95.9
Vegetables and melons	105	161	103	101.7	137.1	144.1	105.1
Fruits, berries and grapes	68	90	47	29.3	45.6	48.0	105.3
Fish and fish products	12	20	18	8.4	15.2	14.5	95.4
Sugar	32	38	50	36.8	37.9	37.0	97.6
Oil	8	13	12	9.4	15.4	14.6	94.8

¹Approved by the Resolution of the Cabinet of Ministers of Ukraine dated April 14, 2000, No. 656 "On approval of sets of food products, sets of non-food products and sets of services for the main social and demographic groups of the population."

²According to the terminology of the Ministry of Health of Ukraine, "Estimated set of basic food raw materials and food products to provide on average per capita for 2005-2015".

Source: State Statistics Committee of Ukraine.

The depopulation of rural areas is largely related to the lack of opportunities to engage in physical labor and ensure proper conditions for providing the necessary minimum social benefits for one's own needs. Instead, the way of life in urbanized cities encourages young people to change their place of residence and fields of activity. As a result, more than 65% of the able-bodied population of the villages work only in their own subsidiary farms, and the level of economic activity of the rural population of working age was 42% of the total population of the corresponding age group.

The creation of agricultural holdings created favorable starting conditions for the revival of agricultural production, its transfer to an intensive way of management, the initiation and active development of entrepreneurship, and the renewal of the social infrastructure of the sphere.

Factors causing unemployment in rural areas include: unavailability of qualified medical care for many strata of the population, constant stressful situations (threat of unemployment, sharp increase in food prices and tariffs for housing and communal services, etc.).

"Ukrainian village, strong in the past with families with many children, is now being transformed into families with small children. This was a consequence of the destruction of the legal basis for the formation of a rural family, a decrease in the standard of living of villagers, an increase in the rate of such a negative demographic phenomenon as an increase in single-parent families, the number of single mothers and illegitimate children, beggar children, children of orphanages and shelters, etc. [234].

For every 100 economically active peasants, there are 44 inactive ones. For the urban population, this ratio looks like 100 to 65.

WITH due to the low supply of rural settlements with district hospitals, children's institutions, secondary schools, against the background of depopulation processes, the migration of rural youth, the

number of people employed in agriculture has significantly decreased over the past ten years. And withfor years, the number of the employed population (aged 15–70) in agriculture has been declining catastrophically. If in 2000 this figure was 134.7 thousand people, then in 2007 – 84.8 thousand people (37.1% less). In addition, 14.3% of the registered number of full-time employees have partial and basic higher education and only 6.6% have full higher education.

The expansion of the spheres of employment and the growth of volumes and scales of agro-industrial production should become a key instrument of state policy in the sphere of solving issues of depopulation of rural areas.

A reduction in the share of the working-age population leads to an imbalance in social policy, increases the tax burden on the rest of the working population, and exacerbates the problems of implementing social and economic development plans in rural areas.

As of January 1, 2009, 747,000 people, or 44% of the total population of the region, lived in rural areas of Zhytomyr region. Compared to 1991, the population decreased by 74,200 people, and compared to 1960 - by 438,000 people, or by 37%. Decisive factors in the general reduction of the rural population are natural reduction and migration processes, according to which the rate of reduction, starting from 2000, is about 0.7%, or 5 thousand people annually. Currently, there are more than

1,060 people of unfit age for every 1,000 working people in rural areas, and this trend is growing, given the outpacing rates of death compared to birth rates.

The provision of social infrastructure facilities in villages is low and, as a result, there is a sharp reduction in social services for rural residents (Table 5.6).

Table 5.6.

Provision of the rural settlement network with social infrastructure facilities, % [46]

Social institutions	1990	2000	2009	2009 to 1990, ±
Preschool educational institutions	36.0	17.0	25.3	-10.7
General educational institutions	93.0	47.2	42.6	-50.4
Club establishments	91.0	72.1	62.9	-28.1
Mass and universal libraries	71.0	57.0	50.0	-21
Film installations	85.0	15.0	0	-85

Source: author's research.

Prolonged underfunding of the social sphere led to the threat of physical destruction of its material and technical potential. Objects that continue to function are on the balance sheet of more successful societies and agricultural formations, financed by the small profit that the latter manage to receive.

The moral and physical wear and tear of the social infrastructure contradicts the dynamic development of society, lowers the educational level of the rural population, which leads to an ever-deepening gap in living standards between the city and the countryside.

During 1990–2003, the implementation of children's preschool institutions decreased by 49.3 times, secondary educational institutions - by 8.4 times, outpatient polyclinic institutions - by 32.0 times, clubs and cultural centers - by 40.1 times [142]. One of the main problems in the village has always been providing living conditions for people. Peasants build housing with their own labor based on their own financial capabilities. In 2007, the rural housing stock (a set of residential premises, including residential houses and specialized houses) of the Zhytomyr Region was 16,579 thousand m², which on average was 26.8 m² per village resident. About 98% of the total rural housing stock is privately owned. But now the total living space in rural areas, which is equipped with water supply, is only 6.2% (in urban settlements 62.4%), hot water supply - 1.7 (45.9), baths - 4.8 (57.3), sewage 5.6% (61.7%). At the same time, it is practically impossible to attract young personnel to production without providing housing [195].

"The level of provision of rural areas with social infrastructure institutions, from most points of view, does not meet social standards. The constant rise in prices for social services has a negative impact on the living standards of the rural population. Although the consumption of paid services is growing, a significant restraining factor of its rapid growth is the decrease in real incomes of villagers. The further development of service enterprises should be based on private ownership, which will give impetus to the effective functioning of the social services market in rural areas" [195].

"At this stage, the social sphere should be financed by the combined efforts of state budgets, local budgets, individuals and legal entities using the target fund for social development of the village, which should be created on the territory of each village council" [195].

Other possible sources of replenishment of local budgets can be: redistribution of budget expenditures

from support of agricultural production to full provision of social services; solving employment and poverty issues; development of rural physical and social infrastructure; redistribution of funds between councils of different levels.

"Agriculture is the basic branch of the economy. One unit of products produced in it generates 10-12 units in other industries. An existing imbalance can lead to the complete destruction of all industries. Therefore, in these conditions, mechanisms are needed to redistribute this margin between industry, processing, services, trade and agricultural production. Agricultural holdings became a tool that made it possible to implement this mechanism and to attract the necessary investments in agricultural production to create added value and generate new ones."

The degradation of the demographic-reproductive, and hence the labor potential of the village is gathering menacing pace [292].

When entering capital into agricultural production, an important aspect is the study of the socio-psychological factor and taking into account the characteristic social differences between the city and the village, and the way of life in rural and urban areas. In agriculture, the role of the social factor is much greater, which affects the system of employee motivation and the emergence of conflict situations between investors and the rural population. The decline of rural areas is taking on a threatening scale and can create a social explosion. During this time, there was a close relationship between the development of agricultural enterprises and personal peasant farms of the population.

Newly created enterprises are oriented towards private ownership and the implementation of economic activity according to market principles, the philosophy of their development is not to bear the social burden of the territories in which they conduct their economic activity along with economic activity. At the same time, for 70 years, the rural population got used to living in a community, a "collective farm", and with the thought that "everything around is a collective farm - everything around is mine." The rural population "took" a significant share of natural products from collective farm fields and developed their own subsidiary farms at the expense of this. Such psychology is incomprehensible to a private investor, he invests and wants to get a result - profit. At the same time, he is not interested in whether the cows will be fed in households located next to the field on which corn is sown. He is interested in getting a good crop of corn,

At the same time, the development of social infrastructure, which the majority of agricultural enterprises transferred to local councils, remains problematic. At the same time, the latter do not have the means to maintain it. A closed circle turns out. There is no production, no income for rural workers, no income to the budgets of various levels, no development of social infrastructure. The circle closes, and only the development of own production can guarantee the development of rural areas at a self-sufficient level. Studies show that there is a proportional relationship between the rate of closure of livestock complexes and the rate of birth of children in these areas.

The rural community is used to living according to instructions from above. Currently, it has to decide on its own the issues of beautification and development of its own territories, look for alternative sources of funding for social programs, protect the rights of its members, develop social infrastructure, as it happens in developed countries of the world. This process is strengthened by the fact that in European countries this process has been taking shape for decades, while Ukraine is going through it at a fairly fast pace, and therefore it is doubly painful.

The creation of agricultural holdings is a new stage in the development of social relations. The transformation of property, traditions, way of life and way of thinking led to changes in the life of the rural population, at the same time there is no alternative to holding structures in agriculture. They have already ensured the gross production of grain at the level of 50 million tons. In agriculture, for the first time in 2009, a profit was obtained at the level of 4 billion. To a large extent, the growth of agricultural production is determined by the activities of large integrated enterprises. In general, the agrarian sector of the economy is an environment of efforts that has significant development prospects, and the creation of vertically integrated structures is presented as a model for the exit of agriculture from the crisis through the unification of efforts of producers of raw materials and their processors. A modern infrastructure is necessary for the introduction of innovative and modern technologies. The experience of Belarus in solving issues of social protection of the population, the creation of agricultural towns, which allows creating proper conditions for the life and work of the rural population, is useful.

At the same time, in order to strengthen integration processes, it is necessary to work out mechanisms for the formation of agricultural holdings in agriculture, legislative regulation of the activities of these formations, work out a mechanism for redistributing part of their deductions to budgets of different levels for the development of social infrastructure.

The lack of relevant knowledge of the rural population and the corresponding informational and legislative bases in the field of development of rural areas led to the fact that the rural population could not organize itself under free market relations.

Under these conditions, the processes were not aimed at development, but had a more destructive nature. "According to scientists, in the last 10 years, the number of motor vehicles per 100 people of the rural population has increased by 2 times, they associate this with the theft of the public sector of agricultural enterprises" [154]. In fact, mechanisms of self-destruction of agricultural enterprises were launched.

The current situation requires deep institutional transformations. This requires a deep systemic analysis, including one based on constant monitoring and sociological research taking into account regional specifics.

The average monthly wage in agriculture remains low, but in recent years there have been trends towards its growth. To a large extent, this is connected with the work of agricultural holdings and their creation of new jobs in rural areas. In some enterprises, wages are paid at a level that is achieved due to the use of wide-reaching equipment, new technologies for keeping and milking cows in animal husbandry. So, only during 2005–2008, the average monthly wage in agricultural enterprises of the Zhytomyr Region increased by 2.7 times. This growth is primarily due to the revival of production volumes in the territories where it was completely suspended. So, the average salary of a milkmaid at the livestock complex of PSP named after "Tsiurupy" is UAH 2,345/month. In the future, the level of wages will increase and reach the level of wages of urban workers. Thus, in the majority of investor farms in the region, the average monthly salary according to the results of 2008 exceeded UAH 915 per employee, and in 2009 it was UAH 1,100.

Despite the investors' modest investments in the development of the social infrastructure of the village, studies show that the enterprises that are part of them have the smallest or no arrears of wages and rent. The rent is paid at the level of 3–5% of the normative monetary value of the land.

At the same time, along with technologies, agriculture involves new management, new management systems, and the transfer of part of the social benefits available to the urban population. In particular, it is the gasification of settlements, the development of telecommunications: the Internet, mobile communication, satellite television.

In a fairly short period of time, telecommunications had a significant impact on the psychology of the rural population's thinking, changing its moral values and way of thinking. And, at the same time, they emphasized their material situation, compared to other strata of the population, in particular the urban population. At the same time, investors became systematically the closest elements of that new formation, which was inaccessible to the rural population. Taking this into account, the processes of economic recovery in newly created enterprises had significant difficulties, namely: in terms of managing various structural units, establishing relations with local self-government bodies.

The rural population, especially young people, perceiving the beautiful pictures of city life, began to move to the cities en masse. In rural areas, from a social point of view, the most protected youth remained, who, in the absence of work and prospects for further development, gradually fell into depression and found a way out of the situation in alcohol and drugs. The most profitable type of business in the countryside became the opening of one's own liquor store and the sale of raised cattle and pigs to resellers.

As a result, rural areas gradually began to lose not only specialists, but also reproductive processes, the birth rate decreased significantly. Destructive processes intensified, namely the "destruction to zero" of existing property complexes of former agricultural enterprises. An example of this is the removal of metal, to obtain which sometimes whole livestock complexes were destroyed, in the walls of which there were metal fittings. At the same time, in order to obtain a ton of reinforcement, a complex for keeping 200 cows was destroyed. Mass sale of livestock complexes for building materials for the public sector has become a widespread type of business that leads to the decline of the livestock industry.

The formation of market mechanisms of management is restrained by the unwillingness of the population to change the psychology of their thinking and social values that were formed during the 70 years of Soviet rule. The effectiveness of newly created agricultural formations, including agricultural holdings, will largely be determined by the extent to which they take into account the psychology and public interests of the peasants. Focusing on a quick result without taking into account the interests of society can have an effect only in the short term. Considering the territorial location of Ukraine and its agricultural potential, those companies that can combine the interests of business with the interests of society will have an economic effect in the long term.

"The advent of agricultural holdings has given rise to a situation of co-existence of a marginally degrading village and effectively working enclaves, at the same time there is a fear that in the event of a reduction in the opportunities for obtaining surplus profits in agriculture, it may cause a wave of outflow of investments from the industry" [287, p. 262]. The creation of agricultural holdings is a litmus test on the way to the reproduction of the domestic producer and the establishment of Ukraine as an important player in the world food market.

Conflicts of interest between agricultural holdings and the local community are caused by the reduction of non-core production and animal husbandry and the payment of taxes to the budgets of the territorial community at the place of state registration of the investor, which leads to a reduction in revenues

to local budgets. For various reasons, not all agricultural holdings start production on leased land in full in part in the first year. The technical re-equipment of the production is accompanied by the optimization of the full-time number of employees, while not always enough attention is paid to the social factor - the adaptation of the employees who are laid off. Seasonal importation of equipment and personnel leads to the emergence of a surplus workforce in the countryside, over-concentration can lead to a loss of manageability, as a result of which only specialized areas of business develop, and all others decline. Questions arise related to violations by agricultural holdings of certain labor protection requirements, compliance with the norms of current labor legislation, and fears for the fate of the region's economy as a result of the cessation of production activities, given their scale. Support of agricultural holdings in rural areas is not regulated by law and is carried out at the discretion of their owners, issues of social development are not priorities for business, as a result

of which there are fears about changes in the socio-economic structure of rural areas and rural communities in particular.

The lack of statistical data on the activities of agricultural holdings makes it impossible to accurately assess the quantitative parameters of the processes taking place in agriculture. The main focus of the research is on conducting a sociological survey of the population, employees and specialists of agricultural holdings, local authorities. The results of the study of public opinion indicate that young people are interested in working in agricultural holdings. In particular, 62% of the surveyed respondents expressed this (Figure 5).

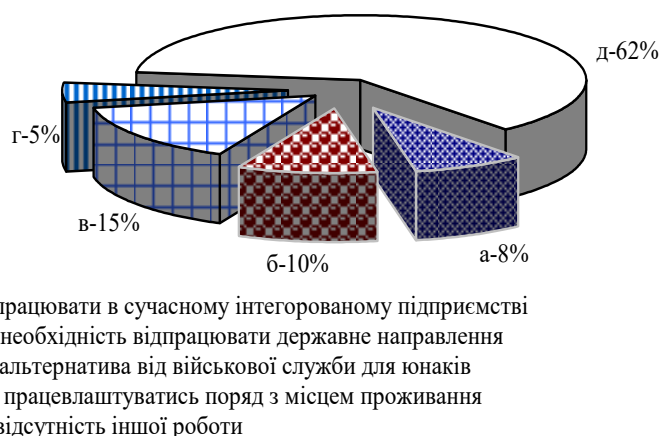


Fig. 5.1. Motives for which young people go to work in agriculture Source: author's research.

The main reasons why young people leave rural areas are: low wages, lack of prospects for personal development, lack of proper working and leisure conditions, dependence of well-being on subsistence farming and lack of work (Fig. 5.2).

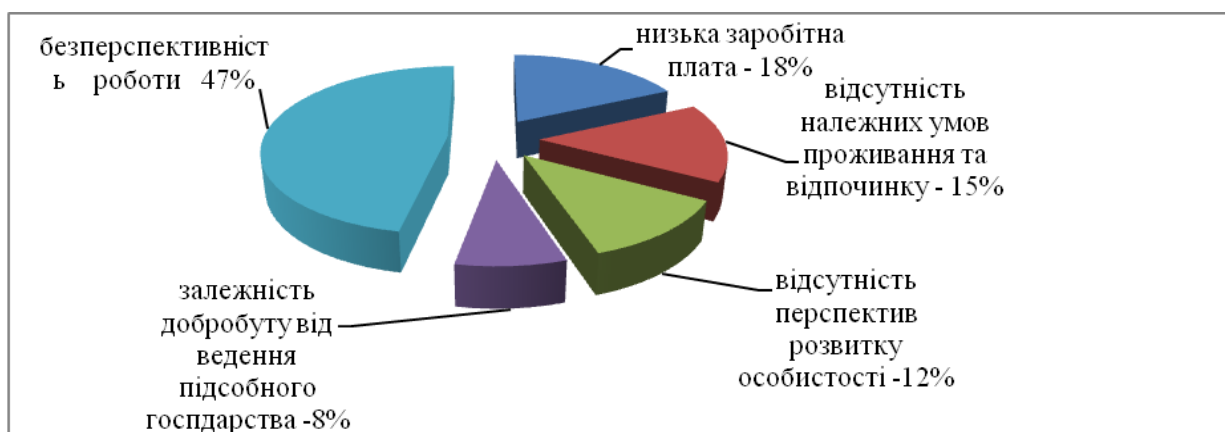


Fig. 5.2. Motives for which young people leave production in the village Source: author's research.

The lack of a real owner and proper control over these processes by the stated to the laundering of the property of former collective enterprises, the destruction of infrastructure.

The negative factors arising from the activities of agricultural holdings are the optimization of the number of employees, as a result of which some employees remain unemployed. At the same time, not always enough attention is paid to the social factor regarding the adaptation of laid-off employees, to an individual approach to their possible employment in other positions. And for the remaining workers, the household calculation, which would link the staff, wages and profitability of the workers' work, is not implemented effectively enough; lack of visibility between staff reductions and salary increases for other categories of employees. Additional and other types of leave are accrued incorrectly, registration cards and work books are not completely filled out. The Collective Agreement is not always developed, approved and implemented. There is no work to prevent conflict situations: there is no procedure for consideration of proposals, statements, complaints and organizations for personal reception of employees by the management; as a result, there are cases when shortcomings in the work of branch specialists lead to conflict situations (arrival to work, refusal to perform certain types of work) and conflicts that could be resolved in the working order turn into court cases.

At the same time, overstaffing increases the costs of providing jobs; medical examinations, attestation of workplaces, technical inspections, expenses for labor protection; increasing access of workers to material assets: PMM, PPE, spare parts, fodder, which means their loss (theft). In addition, an inflated staff, in addition to the costs of wages to employees, the payment of mandatory taxes from the payroll fund, proportionally increases the costs of maintaining the material means with which the employee performs his duties.

As the analysis of the relationship between the availability of arable land, agricultural machinery, livestock and personnel of CJSC "Rise" shows, the land mass of the structural subdivision within 5 thousand hectares is optimal from the point of view of management and production. At the same time, the optimal number of workers who can ensure the cultivation of these areas should be within the limits of one worker per 45 hectares of arable land. And the number of workers in animal husbandry should be determined from the load of 17 conditional heads per one worker. The experience of livestock development shows that the consolidation of small livestock farms up to 1,000 conditional heads on one and the infrastructure of the machine and tractor park is effective. Employees of canteens, grain mills, and sawmills should be transferred to self-supporting methods of work. With seasonal workers, the conclusion of fixed-term contracts with employees should be actively implemented, that remain, to seasonal work. The amount of wages should be linked to productivity, preservation and profitability of the produced products.

Based on the research conducted, it can be concluded that the main directions of normalization of industrial and social relations between agricultural holdings and their employees are:

- ❖ registration of the collective agreement in local authorities and bringing its provisions to the attention of employees of structural units;
- ❖ election of the labor collective council;
- ❖ preparation of an order on approval of the list of positions of employees with irregular working hours and an order on employees entitled to additional annual leave;
- ❖ approval at the meeting of the council of the labor team of the Regulation on remuneration;
- ❖ approval of the list of equipment and the procedure for its use when providing services to members of the labor team;
- ❖ solving the issue of maintenance of social sphere objects in cooperation with local self-government bodies;
- ❖ introduction of a staff list, based on typical workload norms and all possible forms of employment relations with employees;
- ❖ development for approval of job instructions;
- ❖ formation of the company's personnel reserve;
- ❖ development and approval of provisions on certification, training and retraining of managers and specialists;
- ❖ analysis of personnel work and proposals for its improvement;
- ❖ approval of the holding's corporate policy code and instructions on conflict prevention.

For the agricultural holding, the priority is to obtain an economic effect - profit, and for society - to ensure the moral and material benefits of the local community. The efficiency of a particular enterprise and the public good are always in opposition. Achieving harmony in relations between two subjects and forming a balance of interests is an important task of economic science. Under the current conditions, the needs of society for the implementation of social issues significantly exceed the income from tax payments paid by enterprises.

The increase in labor productivity depends to a large extent on the socio-psychological climate in the team as a whole and on the interest of each of its members, in particular, in implementing the requirements set before them. Improving working conditions and pay, increasing its prestige and motivating

employees for the final result of production allows agricultural holdings to increase their responsibility by changing the attitude of employees to the objects and means of work. The implementation of these measures is largely due to the change in the psychology of the owner, who today chooses stable business as a basis and promotes his own style and philosophy of company development. Taking into account the authenticity of individual management of agricultural holdings, a new psychology of relationships is being formed, which largely affects the size, specialization, the market strategy of the company's behavior and attitude to the matter, which can be succinctly characterized as: "effective business - social responsibility to the employee - social responsibility to society [149]. As a result, under the influence of this, fundamental changes are taking place both in the psychology of thinking in the field of agribusiness. The need to find sales markets for the product comes to the fore, and only then to increase the volume of its production. Considerable attention is paid to risk assessment and detailed planning of the company's activities in the short and long term. More and more attention is being paid to the formation of an agrarian lobby and the formation of barriers on the way of imported food products and in the defense of domestic markets for products, works and services. "effective business - social responsibility to the employee - social responsibility to society [149]. As a result, under the influence of this, fundamental changes are taking place both in the psychology of thinking in the field of agribusiness. The need to find sales markets for the product comes to the fore, and only then to increase the volume of its production. Considerable attention is paid to risk assessment and detailed planning of the company's activities in the short and long term. More and more attention is being paid to the formation of an agrarian lobby and the formation of barriers on the way of imported food products and in the defense of domestic markets for products, works and services. "effective business - social responsibility to the employee - social responsibility to society [149]. As a result, under the influence of this, fundamental changes are taking place both in the psychology of thinking in the field of agribusiness. The need to find sales markets for the product comes to the fore, and only then to increase the volume of its production. Considerable attention is paid to risk assessment and detailed planning of the company's activities in the short and long term. More and more attention is being paid to the formation of an agrarian lobby and the formation of barriers on the way of imported food products and in the defense of domestic markets for products, works and services. The need to find sales markets for the product comes to the fore, and only then to increase the volume of its production. Considerable attention is paid to risk assessment and detailed planning of the company's activities in the short and long term. More and more attention is being paid to the formation of an agrarian lobby and the formation of barriers on the way of imported food products and in the defense of domestic markets for products, works and services. The need to find sales markets for the product comes to the fore, and only then to increase the volume of its production. Considerable attention is paid to risk assessment and detailed planning of the company's activities in the short and long term. More and more attention is being paid to the formation of an agrarian lobby and the formation of barriers on the way of imported food products and in the defense of domestic markets for products, works and services.

The formation of a sense of security, employment, responsibility for the results of one's work among employees contributes to increasing the level of self-management and careful attitude to property, "a person works in full force only if he is sure that what he has earned by honest work belongs to him" [41].

The introduction by agricultural holdings of progressive forms and methods of labor organization and payment, strengthening of the dependence between the final results of activity and the amount of optimal remuneration, fair standards of labor payment contribute to the formation of such employee qualities as responsibility, business efficiency, entrepreneurship [42]. In these matters, agricultural holdings have made a significant step forward. The experience of their activities in these matters allows us to confirm that the introduction of such tools allows teams to solve the tasks set by the management regardless of the challenges of the market economy.

An important element in the context of the formation of the appropriate social and psychological climate in the team is the implementation of social programs for the development of rural areas. Social assistance to the rural community is directly proportional to the development of the economy of the investor enterprise, which conducts economic activity in the territory of one or another rural territory. At the same time, it should be noted that the main element of the community's influence on the investor is the term of land lease agreements. On the one hand, if we talk about production, the advantage here is a long-term lease, at the same time, a short-term lease is beneficial to the owners, as it encourages the tenant to fulfill contractual obligations at an appropriate level, and in the conditions of competition, which is increasing from year to year,

The property obtained as a result of the sale and privatization of land and property is a guarantor of social protection of the rural population in relations with tenants of agricultural land and property. And if recently most of the property shares (shares) have been bought out, then in the conditions of the moratorium on the purchase and sale of land, the land plots received by the peasants are a real means of obtaining additional income in the form of rent. And lease terms are a real means of influencing the tenant to protect their rights and better terms of rent.

State policy in the field of protection of the rural population should be aimed at supporting local self-government bodies, in particular, village and settlement councils as centers, consolidation of material assets for the implementation of social programs. Land plots are a real means of social protection for the rural population. Considering that a significant part of landlords (56%) are pensioners, of whom about 15% have no heirs, unclaimed shares in such a situation should go to the benefit of the local community. Currently, according to the current legislation, in the absence of heirs, the plot of land becomes the property of the enterprise in which it was obtained. In order to establish social justice, it is necessary to correct this legal conflict and provide a norm,

From the point of view of the development of rural areas, the transformation of an agricultural enterprise into a structural subdivision carries threats, since in this case taxes are paid by the investing enterprise to the budget of the territorial community at the place of its state registration, which, as a rule, is not the territorial community of the village. The transformation of an agricultural enterprise in the process of capitalization into a separate unit, according to the existing legislation, allows avoiding the above-mentioned problems. In order to eliminate these disproportions, it is advisable to make clarifications to the Economic Code of Ukraine regarding the territorial characteristics of the structural subdivisions of the enterprise, namely: to specify that the structural subdivisions of the enterprise (production, functional) are located according to the location (within the territorial community of the same name) of the enterprise - a legal entity.

We see the prospect of the development of personal peasant farms in the development of cooperation. Only by uniting into cooperatives, the rural population will be able to implement an effective policy of lobbying their interests with processing enterprises. To increase effective production and improve working conditions, households should be integrated into cooperatives or agricultural holdings, while performing a highly specialized function on mutually beneficial terms, which will provide additional protection against price and economic changes in the market. In our opinion, the perspective of the development of households is cooperation and integration with processing enterprises on mutually beneficial terms and implementation of socio-economic issues of rural areas on this basis.

Individual investors are not registered in the locality where they directly carry out economic activities, which reduces revenues to local budgets at various levels.

From an organizational point of view, agricultural holdings have problems when combining several branches of the enterprise on the territory of different settlements, where previously there were separate collective and private farms.

The decline of the economy of agro-industrial production, the formation of market-type enterprises, whose activities are not based on support for the development of social infrastructure objects, the lack of target programs for the reproduction of the social sphere negatively affected its functioning. From year to year, it continues to lose thousands of institutions of this direction. An important task of the economic development of rural areas and the economy of agro-industrial production is to work out the mechanisms of balanced socio-economic development of rural areas. To a large extent, this is due to the need to preserve traditions, spirituality, the formation of a worldview and the education of young people, without which further effective development of both the economy of an individual enterprise and the agro-industrial production as a whole is impossible.

Despite the significant growth of aggregate resources in recent years, the standard of living in the countryside continues to be quite low. Compared to the subsistence minimums officially established in 2000 and 2003, the average per capita total resources were lower, respectively, by 58.7 and 27.2% [295].

By 2015, the average monthly wage in agriculture should be brought up to the equivalent of 320–360 dollars. USA level, which should correspond to wages in the amount of 10 hryvnias per hour until 2010, and until 2015 – 15 hryvnias per hour.

It is necessary to implement a program of balanced development of agricultural enterprises, which are part of agricultural holdings, with organizational and legal forms of management and rural territories.

Therefore, no matter how deep, large-scale and radical transformations are in property relations, organizational forms of management in agro-industrial production, in the absence of proper resource, material, technical and financial support of the latter, without the use of modern technologies it is practically impossible to achieve high final results in this production.

The decline of the agricultural economy and the absence of state programs for the revival of the social sphere leads to a reduction in funding for the construction of new and reconstruction of existing social infrastructure facilities. During 1990–2003, the implementation of children's preschool institutions decreased by 49.3 times, secondary educational institutions - by 8.4 times, outpatient polyclinic institutions - by 32.0 times, clubs and cultural centers - by 40.1 times.

The creation of agricultural holdings is a model for the revival of agricultural production and, on this basis, ensuring the food supply of the people of Ukraine at the level of rational nutritional standards, providing raw materials for industry, increasing the employment of peasants, raising their wages to the level of workers in industrial industries, increasing the welfare of peasants and the social development of the Ukrainian

countryside - it's all a comprehensive program.

Problems of disparity of economic relations; provision of credit resources and attraction of investments; provision of material and technical resources; monopolization of sales markets by intermediary structures; insufficient development of the agricultural market infrastructure; low level of concentration of production and its productivity; extensive path of development; inequality of the conditions for the formation and development of various forms of business.

5.3. Ways of institutional changes in social and economic policy

State socio-economic policy in the field of agriculture should be aimed at creating proper conditions for work, living and recreation of the population of rural areas, popularizing and increasing the prestige of agricultural work, creating conditions for involving young people in production processes, as the main strategic reserve for increasing the efficiency of the industry. To a large extent, this requires the implementation of a purposeful policy and the introduction of targeted programs in the field of social development, re-equipping production on a new technological, organizational and economic basis, increasing employment, creating new jobs and developing new areas and types of business, in particular such as "green tourism".

Each rural area needs an individual approach to development policy. Taking into account the analysis of the trends in the socio-economic development of villages, the territorial approach in the policy of their development will be aimed at diversifying the rural economy, which will contribute to the solution of such problems as unemployment, low income, etc. At the same time, territorial endogenous factors will be taken into account: physical resources, human resources, activities of enterprises and workplaces, territorial culture and identity, external relations. It is necessary to ensure the evolution of available resources and the preservation of the multifacetedness of the rural area as an environment for human life and activity [141].

In order to solve the development problems of rural areas, an extremely important place must be given to: diversification of production in them as one of the bases for the formation of alternative sources of employment for the rural population and the development on this basis of additional, including non-traditional for each given rural area, workplaces with the subsequent reduction of unemployment, by increasing the income of the population, etc.; accelerated reproduction (revival) of the social infrastructure of rural settlements as one of the most important prerequisites for their preservation from social and industrial degradation, primarily in terms of preserving and gradually increasing human capital; improvement of social, economic and all other mechanisms for maintaining production activity and the interest of the rural population in the comprehensive use of the production and resource potential of rural areas and their multiplication; maintaining the ecological reliability of rural areas, preserving the natural features of each of them, including by protecting against the harmful effects of human activity and negative weather effects [141].

To ensure the main goal of agricultural development, based on the powers of executive authorities and local self-government, the following system of goals is determined: formation of a competitive agro-industrial complex; increasing the volume of exports of agricultural products, including products of the food and processing industries; a significant increase in the standard of living, working conditions and strengthening of social security for workers in the agro-industrial complex, achieving stable economic growth by providing conditions for the development of effective entrepreneurship in the agricultural sector; increasing the competitiveness of the products of the domestic agro-industrial sector on the domestic and foreign markets on the basis of increasing the volume of investments and their innovative direction; creation of civilized conditions for living in rural areas as a basis for the influx of working classes; formation of viable rural territorial communities; implementation of innovative development of branches of the agrarian sector of the economy, significant increase in the share of knowledge-intensive, resource-saving production technologies; optimization of the use of the personnel potential of the region; attracting financial, energy, material and other resources of the region to solve the problems of development of the agro-industrial complex [141].

Currently, the policy of increasing the attractiveness of agricultural production and ensuring comprehensive multifunctional development of rural areas should be actively implemented. It was the socio-demographic decline of the villages that became the main reason for the collapse of agricultural production, which led to the deterioration of the material well-being, working conditions and recreation of the rural

population. The decline in agricultural production significantly affected the reduction of real incomes of rural residents, as a result of which the latter's solvent demand for services decreased critically [141].

The restoration of production thanks to the development of agricultural holdings provides: an increase in the employment of the rural population and the motivation of labor for the development of entrepreneurship in rural areas, as the main condition for improving the standard of living; formation of social infrastructure as a set of structural elements of rural settlements to provide rural residents with proper working and living conditions; introduction of an effective youth policy in the countryside; preventing the decline of rural settlements; increase in the number of doctors and medical facilities; improvement of the organizational and economic mechanism of reorganization of objects of the social sphere and expansion of the possibilities of rural communities in solving the problems of their development [141].

The resolution of many issues largely depends on the villagers themselves, on their self-organization, the development of local self-government, and local initiatives. The community must educate its leaders, put forward initiatives to realize its own interests, and take care of the rational use of available resources.

The state position on the issues of effective land use and development of rural areas should be based on the state's purchase of agricultural lands from the population and their transfer to local self-government bodies for the purpose of leasing and obtaining additional revenues for local budgets

In this case, the local community will be able to get an additional source of funding for the social sphere and will be interested in controlling the targeted use of agricultural land.

Along with the traditional ones, it is promising to introduce new forms of organization of the field of services in the countryside, namely rural green tourism, which are beneficial for both users and organizers of such services. This will contribute to the increase of tax revenues to the budget at the expense of local taxes and fees, the reduction of the cost of services and the improvement of their quality, will ensure the employment of rural residents, and will also allow the efficient and targeted use of nature conservation, recreational, and historical and cultural lands and, at the same time, maintain them in proper condition without significant subsidies from the state [226]. "In the USA, out of 1.8 million working-age people living in rural areas, only 6.5% work in agricultural production, the rest are engaged in non-agricultural production activities, including 24.5% in other, in addition to agriculture, in the fields of material production, and 69% - in the service sector" [163, p. 16]. "In Ukraine, more than 55% of the rural population works in agricultural production, 14% - in education, health care and social assistance, 13.1% - in industry and construction, 4.9% - in transport and communication, 12.2% - in other industries" [163, p. 16].

The significant resource potential involved in agro-industrial production requires the generation of new ideas regarding its development, to a large extent this concerns the formation of integration processes and the development of agro-holdings and the modernization of the economy of agro-industrial production. The added value accumulated at the same time will allow funds to be directed to the implementation of social programs and the solution of urgent issues of the development of rural areas and, as a result, the improvement of the welfare of the rural population and the full use of its resource potential. An important issue at the same time is the expansion of the spheres of employment of the rural population, for which the reserves are unlimited. At the same time, the development of "green tourism", the development of the sphere of services in the field of leisure organization, food, accommodation of people, provision of services for the maintenance of equipment,

The development of integration processes and the formation of agricultural holdings on this basis contributes to the allocation of additional funds for industrial and residential construction, the creation of social, cultural and household facilities, roads, gasification and water supply of villages.

After 1990, there was a significant drop in the volume of production in the field of crop production, which is the result of a decrease in technical equipment, a decrease in the amount of applied organic and mineral fertilizers, and the use of plant protection products. To a large extent, this was due to the lack of a strategy for the development of agro-industrial production in market conditions by management, which resulted in the path of "trial and error" that the economy went through through the liberalization of prices for material and technical resources of industrial origin and a significant price disparity, the lack of adequate funds for financing agro-industrial production and mechanisms of agricultural producers' access to cheap long-term financial resources. Production of gross crop production in 2004 (in comparable prices of 2005) amounted to UAH 38.2 billion, compared to UAH 52.4 billion in 1990.

The average consumption of the most valuable food products, especially of animal origin, has decreased to a level that threatens human health.

Investments in fixed capital are catastrophically reduced, its extended reproduction and renewal is not carried out. Thus, the volume of investments in the agrarian sphere of the agricultural sector in 1991–2000 decreased by almost 24 times, and in the processing sphere of the agricultural sector - by 2.15 times. In particular, in 2003, capital investments in the agricultural sector amounted to only UAH 2.1 billion, or 4.2% of the total volume in the economy of Ukraine, while the share of this sector in the formation of gross

value was equal to 12.2%, and was 26.7 billion hryvnias

Despite the positive trends in the development of the economy, the amount of rent continues to be formed due to the qualitative characteristics of the land and the increase in the area of leased land. However, it is currently insufficiently substantiated and inconsistent with the level of development of agricultural production. In our opinion, as agriculture develops and the social security of land owners increases, it is necessary to introduce rent adjustment coefficients for enterprises depending on land use.

The main non-productive factor that directly affects the size and payment of rent is the passivity and ignorance of the peasants regarding their rights. Another negative factor is the lack of competition on the market and effective mechanisms of state protectionism of domestic agricultural products, which reduces the financial capabilities of agricultural producers in terms of increasing rent payments and implementing social programs.

Among the elements of the social potential of rural areas, land plays a key role as the first prerequisite and natural basis of production. It actively affects the production process, acts as a basis for organic combination of other production resources.

The socio-psychological climate of the team, the morale of each employee, his understanding of the company's work philosophy is important in the formation of agricultural holdings in agricultural production and is one of the main elements of increasing labor productivity.

Scientific opinion indicates that "the effectiveness of management largely depends on the consistency of social and psychological aspects of management interactions with the corresponding features of management objects" [274, p.172].

Socio-psychological aspects of the development of rural areas exert a significant influence on the formation of production processes and, depending on the strategy of their development, can determine the dynamics of their development in the long term.

The formation of integrated structures in the form of agricultural holdings requires the study of all components of the functioning of society. First of all, this concerns the employment of the population living in this territory, the restoration of the material and technical base and agricultural production, the formation of added value and the filling of the revenue part of local budgets and the implementation of social programs, and finally the introduction of mechanisms for the implementation of these tasks, taking into account the company's development strategy.

B.F. Lomova, A.Sh. Kitova and P.A. Skipetrov singles out three groups of collective management methods: "administrative - increasingly limited to the function of coordinating the production process; economic - form an interest in work based on material benefit; socio-psychological - aimed at taking into account the personal and group psychological qualities of employees" [135, p.76]. The classification of socio-psychological methods of influence is shown in fig. 5.2

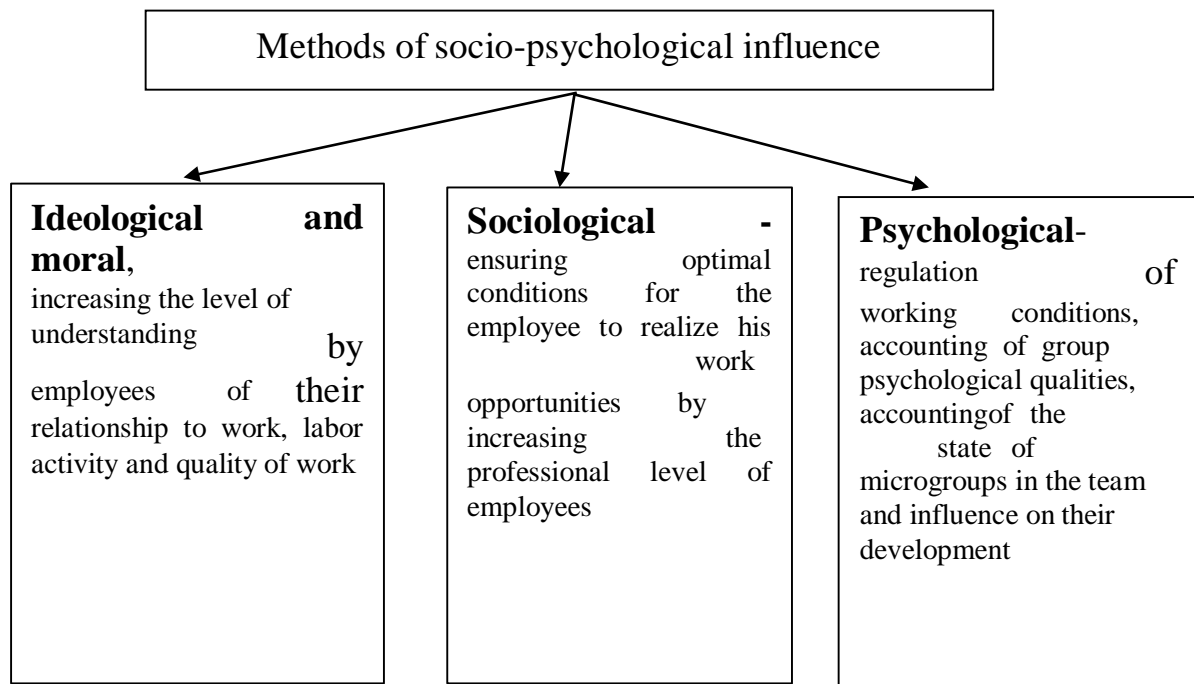


Fig. 5.2. Classification of methods of socio-psychological influence [41].

An important factor that determines the social and psychological climate of the team and affects the increase in labor productivity is its motivation. However, only the growth of material incentives will have an effect only in the short term, after which the employee will make more and more demands to increase his salary, regardless of whether he will spend these funds. The result of such a situation may be a conflict of interests, as a result of which the company will lose a specialist who could benefit it, and he would lose a stable job. Therefore, when introducing a motivation system in agricultural holdings, they approach systematically, taking into account the individual approach to each employee and his psychology.

Various theories of labor motivation have been tested in world practice, in particular, those of F. Herzberg [334, pp. 122–126], D. McGregor [50], U. Ouchi [222], and others. What they have in common is that "they take as a basis a system of organizational, economic, social, psychological measures aimed at encouraging people to be active on the basis of their conscious choice of the field of work, motives and incentives" [334, pp. 122–126 ; 50].

The revival of domestic agricultural production thanks to agricultural holdings is an important factor in shaping the demographic situation in the countryside. Thus, the creation of new jobs, the revival of animal husbandry, the filling of the revenue part of local budgets creates favorable conditions for the formation of young families and the improvement of the birth rate in rural areas.

When organizing structural subdivisions of agricultural holdings, it is very important to take into account the social and psychological component of the environment in which it is necessary to work. The psychological advantages of the participation of agricultural commodity producers in agricultural holdings are: solving social issues of the development of rural areas, strengthening the competitiveness of economic entities; forming a positive image of work in agriculture and increasing its prestige; creation of new jobs and, as a result, strengthening the confidence of the rural population, especially young people, in the future and improving the demographic situation in the countryside; approbation of the experience of advanced enterprises of the industry in production conditions.

The formation of agricultural holdings should take place in the direction of social orientation regarding the development of domestic production, renewal of production on a new resource, technological and organizational basis; formation of added value, implementation of social programs and improvement of the welfare of the rural population.

The development of agricultural holdings and increasing the efficiency of agricultural production based on them is a prerequisite for revising local taxation as the main form of mobilization of financial resources at the local level. This process should take place in the direction of giving local councils freedom of choice in matters of forming the system and types of taxation, taking into account the specifics of the area and forming and defining such a tax base that would be an effective tool for collecting taxes within each rural territory. "For this purpose, a number of national ones are advisable taxes, in particular, the payment for the land, the tax on the owners of vehicles and other self-propelled machines and mechanisms, fees for the use of natural resources for environmental pollution should be transferred to the category of local" [123].

Taking into account that most agricultural producers can avoid and do not reflect the real financial indicators of economic activity, it is positive to use the global experience of local tax collection, in particular, "the introduction of real estate tax, which provides, for example, up to 20% in France; Canada 40%; Belgium, Poland and Spain more than 50%, Holland, Great Britain and the USA more than 70% of local budget revenues [45, p. 11–20; 123]".

Property tax is a stable basis for taxation. In addition, it will not cause an imbalance between commodity producers, taking into account the wear and tear of the material and technical base of most of them and the high value of property in the structural enterprises of agricultural holdings that conduct production on a new resource, technological and organizational basis and conduct a detailed assessment of the property taking into account the possibility of its use in the quality of collateral when obtaining bank loans.

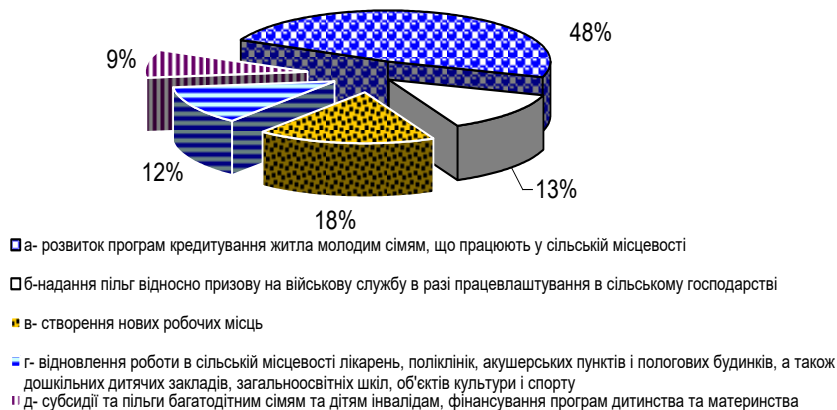
"We agree with the opinion of Ibatulina A.V. and we believe that the rate can be in the amount of 1% of the subsistence minimum per 1 m² of real estate used in the production process in rural areas and 2% in urban areas, while relying on the elements of territorial improvement, we apply the following coefficients: gas supply - 0.5%, water supply - 0.1%, sewerage - 0.1%, heating - 0.3%, hot water supply - 0.2%" [123-124].

At the same time, we believe that a scale of taxation motives for different business entities should be introduced. The defining criteria of which should be: the participation of the agricultural producer in the development of the social sphere, providing the population with work within the business territories, compliance with the legislation on wages and the implementation of other social programs both at the level of the enterprise and the territory within which the subject of taxation conducts production. The implementation of these measures will fill the revenue part of local budgets and accumulate funds for the implementation of social projects.

"The socio-economic policy of the development of rural areas should be aimed at: ensuring stability and optimal expanded reproduction of the population within socially necessary parameters, preserving the

historical and cultural authenticity of the people; regulation of demographic processes in the direction of forming positive reproductive attitudes of the population and increasing the number of births, creating conditions for the development of motherhood and childhood and improving living conditions and living standards of people; creation of a favorable economic environment, organizational and legal framework, effective use of tax and credit levers, development of the social infrastructure of the village" [232].

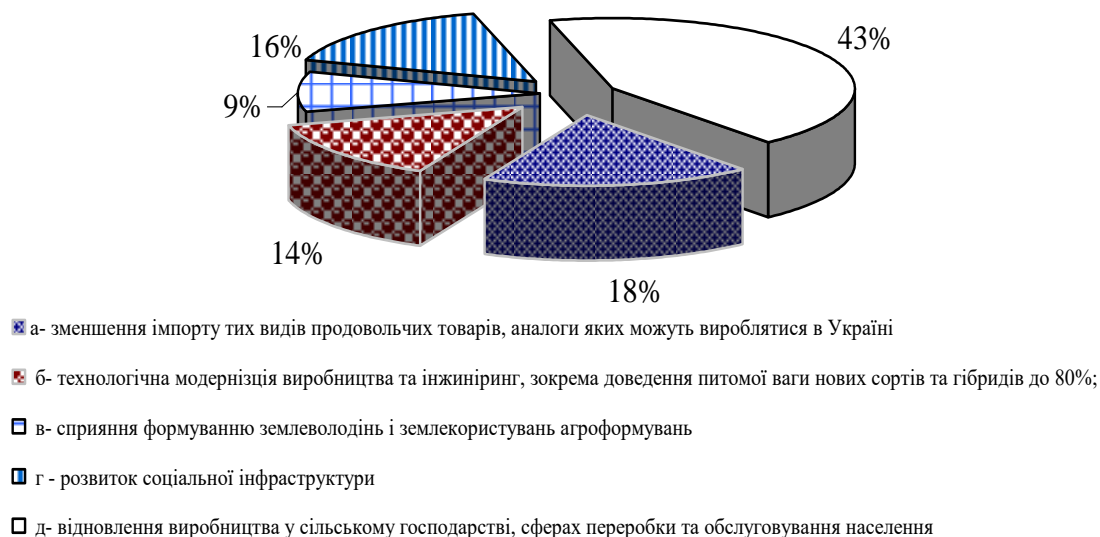
The main steps in the implementation of the demographic component of the social strategy for the development of rural areas of the strategy should be: creating conditions for crediting the construction of housing for young families, creating appropriate conditions for work and recreation, providing benefits (Fig. 5.3).



"Capital investments in the development of the social sphere of the village directly improve the economic results of the material and immaterial spheres of production, thanks to the increase in production volumes, the increase in capital return, the reduction of the cost of production, the increase in comfort and the quality of service to the villagers" [177].

To increase employment in the agro-industrial sector of the economy, it is necessary to create "material, technical and socio-economic prerequisites for productive employment of the rural population, in particular, conditions for the redistribution of labor between labor-deficient and labor-surplus regions, legislative and financial support for the development of small businesses in the countryside [177]" . At the same time, the main criterion for the revitalization of rural areas is the growth of production volumes, because it is "the guarantee of the application of labor and the provision of reliable social protection for the residents of rural areas" [233].

Real steps that will contribute to the revival of production can be the policy of innovative development of agricultural production, import restrictions, infrastructure development (Fig. 5.4).



The level of employment of the population in rural areas is characterized by many criteria, the main

ones are shown in fig. 5.4.

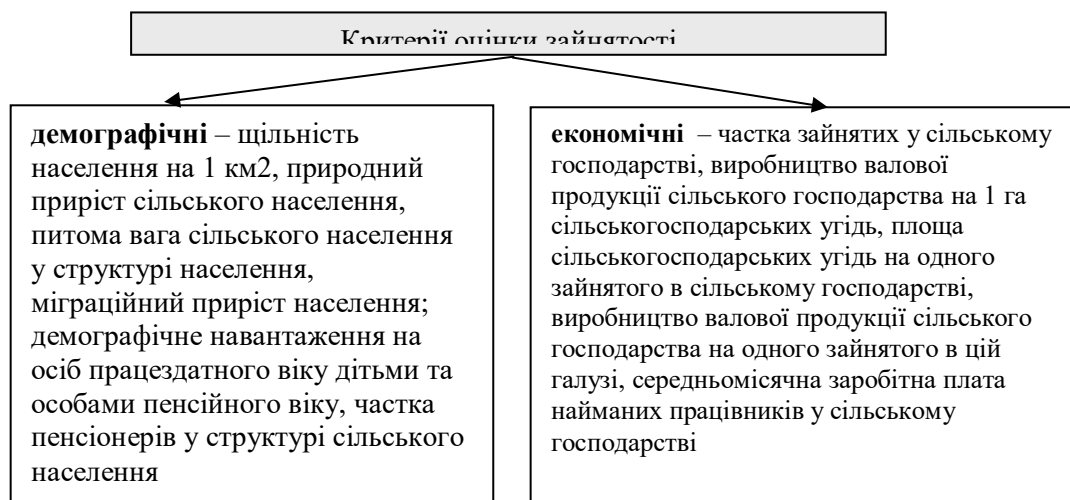


Fig. 5.5. Employment assessment criteria [342].

In order to further ease the tension in the rural labor market, the following tasks must be solved: formation of a regulatory and legal framework; development of the production infrastructure of rural areas, rational use of its resource potential, creation and preservation of economically active workplaces on the basis of a multi-system economy; improvement of the social infrastructure of the village, introduction of additional jobs in the spheres of trade and consumer services, housing and communal services, housing and road construction; equalization of the level of social differentiation in the village; consolidation and stabilization of

qualified personnel of enterprises, implementation of the human resources program and development of personnel potential of enterprises based on the state order for the training of specialists; coordination of actions of state executive bodies,

The process of formation and increase of employment in rural areas is carried out under the influence of many factors: socio-demographic, production-economic, socio-economic, etc.

The analysis of resource, technical and production potentials and their balanced ratio should become the main criterion in the development of directions of state policy in the field of formation of effective resource potential of rural areas and restoration of effective agricultural production on this basis. "In the process of forming the labor potential of agro-industrial production, an important role is played by the professional sectoral orientation of the rural population, and especially the youth. Professional orientation is a complex socio-economic problem. It covers the demographic, economic, and moral problems of the majority of the population [357]."

The transformation of the economy to market economic conditions requires new approaches to the qualification of specialists and their training at a qualitatively new level. This issue becomes especially relevant in connection with the formation of integrated structures in the form of agricultural holdings. Within these enterprises, considerable resources are concentrated, which require balanced decisions in matters of centralized management of production processes without losing the line between the size of the business and its economic efficiency. In the market conditions of management, agricultural production requires 3 times more specialists of various specialties than production required during the times of the Soviet Union.

Undoubtedly, an important factor in providing production with professional personnel is career guidance, the foundations of which are laid from the school bench, and their effectiveness is largely determined by the systematic nature of these works. At the same time, in the market conditions of business, the fundamental importance belongs to the formation of an individual to satisfy his social and household needs. In these conditions, the motivation of work and creation of conditions for the realization of personality come first.

In the situation of the decline of rural areas and the outflow of young people to cities, it is important for agricultural holdings to involve active young people in production processes during their studies at school with subsequent support during studies at higher educational institutions. At the same time, the development of young specialists in production is important. For this purpose, a responsible person for their adaptation should be allocated at the enterprise. At the level of the management company, these issues can be dealt with by the personnel management department, whose duties should include the recruitment of young personnel and their selection during their stay at the company's production sites. "Adaptation is an important socio-psychological stage of the formation of the company's personnel, here all the shortcomings that accompanied the entire process of training and formation of young personnel are immediately

manifested here. The organization of adaptation work should be carried out in the following directions: establishment of mechanisms for the professional advancement of young personnel; assigning them mentors from among qualified specialists; to acquaint young people with all production divisions of the enterprise; provide all material, housing and other benefits; monitor and prevent newcomers from working outside of their specialty and with violations of the work regime, constantly study and analyze the reasons for non-fulfillment of assigned tasks; to develop a system of moral and material stimulation of young employees of enterprises [357]". monitor and prevent newcomers from working outside of their specialty and with violations of the work regime, constantly study and analyze the reasons for non-fulfillment of assigned tasks; to develop a system of moral and material stimulation of young employees of enterprises [357]". monitor and prevent newcomers from working outside of their specialty and with violations of the work regime, constantly study and analyze the reasons for non-fulfillment of assigned tasks; to develop a system of moral and material stimulation of young employees of enterprises [357]".

Youth is an energy resource for the introduction of new technologies and the generation of new ideas. This issue is becoming especially relevant now, when more than 46% of the rural population are pensioners. Therefore, each company should form its personnel policy in this matter, taking into account the gradual depopulation of the rural population and the need to reorganize production on a new resource, technological and organizational basis. Under these conditions, there is no alternative to the formation of mechanisms for involving young people in agricultural production, or in fact there will be none as such. The presence of a significant number of people of unfit age in agricultural production is a direct threat to increasing its efficiency and further successful activity. The territorial placement of young people of working age is interesting,

An important task in the context of the training of agro-industrial production specialists is to strengthen the requirements for raising the general level of education. The level of qualification of the company's personnel is one of the important elements of the strategy of its effective development. To a large extent, it is determined by the company's personnel policy and development strategy. In this case, the determining criteria are training, advanced training of personnel, available professional training. The transformation of agro-industrial production to the conditions of the market environment requires new approaches to the qualification of specialists. The introduction of new systems and mechanisms, the organization of production on a new technological, resource and organizational basis requires highly professional specialists. Therefore, the modernization of production and the improvement of the qualifications of specialists are integral components of building an effective mechanism for the development of agro-industrial production on a new innovative basis.

The material and technical base of rural vocational schools in modern applied units is provided for training by only 70% and does not meet the requirements of training modern qualified workers. During the period from 1999 to 2009, the number of graduates of vocational and technical education institutions in the Zhytomyr region decreased by 32%. This leads to a decrease in such an indicator as professional ability, an increase in the gap between the level of qualifications of applicants for jobs and modern requirements.

The main directions in the field of development of the educational base:

- ensuring the implementation of the program of personnel retraining and professional development, creating conditions for self-education, improving the system of graduate higher education;
- formation and career guidance of the personnel reserve among promising young people;
- formation of a multi-disciplinary network of educational institutions that would provide high-quality professional education, retraining of the unemployed population, improvement of the qualifications of workers of enterprises, pre-professional and professional training of students of general educational institutions, in accordance with the needs of the market economy.

A special role should be given to special educational institutions of a new type

- lyceums, which carry out step-by-step training of specialists of a higher qualification level. Among the advantages of their creation should also be attributed a shorter period of training of specialists, and among the disadvantages - narrow specialization.

Market conditions of business require strengthening of training of specialists in the direction of implementation of automated management systems, strengthening of legal awareness and mechanisms of organizational and economic tools of stock market, banking, marketing, logistics and management of production processes.

An important condition for the organization of effective agricultural production is the popularization of agricultural work and the involvement of young people in production processes.

The production activity of agricultural holdings requires fundamentally new requirements for managers and specialists at all levels. First of all, the task is to make a profit, to maintain and establish production on a new technological, resource and organizational basis, to ensure proper working and rest conditions. An important role in the adaptation of agricultural production to new conditions belongs to the

introduction of new professions and the development of new areas of activity aimed at building a closed production cycle. In this connection, there is a need to strengthen organizational work with personnel, in terms of planning, recruitment, selection and adaptation of personnel, standardization and motivation of work, evaluation and training of personnel, career planning.

Practice puts forward new requirements for the training of personnel of the agrarian sector of the economy, able to adapt to various conditions and forms of management, as well as to perform consulting functions. Market infrastructure also requires specialists in advertising, commercial, banking, mortgage, stock exchange and audit activities. The development of transformational processes in the economy requires the training of new specialists, in particular in the field of solving issues: land market, marketing, stock trading, automated production management systems, management of production processes. Production requires the training of specialists in fundamentally new professions and their repurposing in accordance with changes in the market environment and industrial relations.

"In many cases, the interests of industry and regional development are not coordinated, are ignored by the parties or contradict each other, which affects the effectiveness of implementing decisions and, as a result, the efficiency of management" [357].

The current state of economic development of the agro-industrial complex places special demands on agricultural holdings. Along with the restoration of resource potential, optimization of the production structure, territorial placement, development of investments, they should focus their attention on the formation of the labor potential of enterprises, the restoration of social infrastructure, and the implementation of social programs.

The state should influence the formation of the optimal sectoral and social structure of the agro-industrial complex. At the same time, the main criteria should be: stimulating the production of agricultural products to the levels of consumption norms, supplying food and light industries with raw materials, reducing hidden unemployment to a minimum, and expanding the sphere of productive employment.

5.4. Organizational and economic aspects of increasing the efficiency of economic activity of agricultural holdings

In the agriculture of Ukraine, there are processes of development of agricultural holdings, which have their expression in the creation of agricultural holdings. Researching the effectiveness of their work and substantiating the perspective of a new form of organization of industrial relations, from the point of view of revitalizing production and solving socio-economic issues, is an important task of economic science.

In the near future, it is predicted that the number of agricultural holdings will increase and their area will expand due to small farms engaged in extensive agriculture, and the restoration of production on lands that are currently not cultivated, which is about 4.7 million hectares. Due to the increase in cultivated areas and the use of innovative technologies, in agriculture by 2015, at least 60–70 million tons of grain per year can be collected in Ukraine with a yield of 5–7 tons per hectare [148].

The increase in the number of agricultural holdings in the agricultural economy of Ukraine, the expansion of the scale of their activities, and the increase in activity both geographically and on a sectoral scale confirms the fact that, in general, we are not talking about a short-term phenomenon, but about the reasons that make long-term investments profitable in agriculture.

Summarizing the experience of functioning of integrated formations in the agrarian sector of the economy allows to determine the main trends of their development and the problems arising in this connection.

Members of the association gain access to new opportunities, which strengthens their competitive positions, leading to increased profits and sales volumes. Local self-government bodies, thanks to the improvement of the financial condition of the enterprises in question, increase tax revenues and, in addition, the need for social costs decreases.

Financial institutions, primarily credit institutions, benefit from associations, because the risk of non-repayment of loans issued to the enterprise decreases, as agricultural holdings master new technologies in management and production, strengthen their competitive positions, reach a higher level of development, and move from mutual competition to mutually beneficial cooperation.

The local community receives new jobs, fills the local budget and, as a result, solves social problems.

The industry, as a whole, benefits from an improvement in the trade balance, an increase in income, and a reduction in unemployment.

For the owner of capital, an agricultural holding means, first of all: successful resolution of issues of legalization of capital and assets, minimization of costs, growth of capitalization, optimization of the taxation system; protection of assets in case of raider attacks; the ability to give a group of companies a name;

formation of a positive creditor history of the firm, conducting an audit; the ability to own assets centrally and openly. The holding is an ideal platform for listing a business on the stock exchange to receive investments, helps attract strategic investors and partners. Allows you to leave a structured and established business to descendants, reduce risks, and, if necessary, facilitate the sale of a business at a fair market price.

Unconditional results from the creation of agricultural holdings are: increased competition in the land rental market and an increase in the amount of rent; investment attraction; increase in labor productivity; attraction of qualified personnel; increasing competitiveness of domestic production. So, only during ten months of 2010, over 830 million dollars worth of investments were attracted. USA.

However, problems arise when creating agricultural holdings, in particular:

- the parent company receives unlimited economic powers, and the structural units lose not only their legal independence, but also a significant part of the means of production;
- there is a conflict of interests between the investor and the local community, due to the reduction of certain productions, in particular, animal husbandry, and the payment of taxes to the budgets of the territorial community at the place of state registration of the investor, which leads to a reduction of revenue to local budgets;
- for various reasons, in whole or in part, in the first year, not all agricultural holdings start production activities on leased lands;
- technical re-equipment of production is accompanied by optimization of the number of employees; at the same time, not always enough attention is paid to the social factor regarding the adaptation of laid-off employees, the individual approach to their possible employment in other positions.

In order to mitigate the possible negative consequences of the creation, functioning and liquidation of agricultural holdings, to increase the efficiency and "transparency" of their activities, it is advisable to conclude contracts between the interested parties, that is, between the managing organization-investor and the agricultural enterprises that join the agricultural holding, already in the preparatory period of the organization of such formations, and territorial authorities. The main principles of such agreements are parity participation and equal economic benefit from joint production, agreement of actions and efforts of partners, optimal combination of economic interests and responsibilities of the parties, the possibility of administrative control over the effective use of natural and production resources, compliance with environmental standards, participation of agricultural holdings in the development of the social sphere villages [19].

"According to forecasts, about 300 companies will be formed in Ukraine, which will concentrate up to 54% of Ukrainian lands in their hands" [126]. Even if the moratorium is lifted, the mass purchase of land is unlikely, given the large financial costs and organizational difficulties.

The most important task of agricultural producers today is the modernization of production on a new technological, resource and organizational basis. The issue of obtaining long-term loans from commercial banks remains unresolved, and the previously formed resource potential is depleted year by year. The actual service life of most fixed assets is 2-2.5 times longer than the normative one. In recent years, the share of capital investments in agriculture has fluctuated between 4-6% (in 1992, it was 18.1%). During 1995–2010 the share of investments in the structure of GDP did not exceed the 20 percent mark. World experience shows that for stable economic growth, the volume of investments should be at least 20–25% of GDP [APK inform].

To improve the efficiency and potential of agriculture, it is necessary to focus attention on solving the following issues: market infrastructure and competitiveness; food safety and nutrition standards, rural development; land reform; rural financing and risk management; consulting services and training and development; institutional reform and policy framework; environmental protection. The market of agricultural products is characterized by a disproportion between supply and demand, spontaneity, underdeveloped infrastructure and elements of administration when solving certain problems.

Ukraine is quite successful in the grain and sunflower seed markets, which are dominated by large farms, but the markets for other agricultural products are still in the process of development, mainly due to problems with market infrastructure.

As a result of insufficiently developed market infrastructure and little access to credit and storage facilities, a large part of agricultural products is sold immediately after harvesting (45% of the obtained grain and oil crops and 55% of vegetables are sold from June to September). This leads to a seasonal decrease in market prices and, of course, affects the producer's income. In general, 75% of agricultural enterprises and even a large part of private family farms (80%) sell their harvest immediately after harvesting.

Integration links between commodity exchanges and other organizational elements of the agrarian market are quite weak, and agricultural commodity exchanges and trading firms remain rather weak and, in general, undeveloped segments of the agrarian market.

In Ukraine, there is a good potential for the development of organic agriculture from the point of view of soils, limited by the use of fertilizers, and labor practices. At the same time, it is necessary to conduct a thorough study of this market segment and legislate the relevant legal bases.

In order to realize the competitive advantages of agricultural holdings, a constructive agrarian policy is necessary, which should become a priority in the system of economic transformations. First of all, this concerns the development of a strategy for the development of agriculture, the improvement of land legislation and the regulation of property relations, crediting for the development of the infrastructure of the agrarian market and protection of domestic producers, including by limiting imports; creation of a land bank; development of a scale of motives for investors, first of all, those who will develop the social infrastructure of the village, investing in its development; carrying out land inventory.

Studies show that in order to increase production efficiency, it is necessary to: remove low-yielding arable land from cultivation and ensure sustainable land use; implement scientifically based technologies for growing agricultural crops; increase the amount of organic and mineral fertilizers, chemical meliorants due to more complete use of domestic phosphorites, potash ores and carbonate rock deposits; attract alternative sources of replenishment of organic matter by increasing the planting of siderates, perennial grasses and leguminous crops; apply recommended crop rotations taking into account the specialization of farms;

This can be achieved, first of all, through the development of integration and cooperation, further improvement of property relations for land and means of production; real protection of domestic producers, improvement of market mechanisms of price regulation, credit and financial system and tax policy, directing investments to restore, strengthen and modernize the resource potential of agricultural enterprises; mastering the latest resource-saving technologies for the production of ecologically clean agricultural products; implementation of a purposeful state scientific and technical policy regarding the agricultural sector, improvement of scientific, informational and personnel support for agricultural production, development of selection and seed production of agricultural crops and selection and breeding in animal husbandry and fish farming;

The completion of the land reform, the settlement of land issues and the formation of optimal agricultural structures from the point of view of management and production, and the solution of socio-economic issues on this basis are important tasks of agrarian science.

To increase the efficiency of holdings, it is necessary to:

- in order to prevent conflict situations, create a procedure for consideration of proposals, statements, complaints between the management company and ordinary employees;
- develop mechanisms for using leased land as collateral, in particular, collateral for the right to lease land, which will contribute to attracting additional credit resources to agricultural production;
- to form a legislative framework that will regulate the activities of agricultural holdings;
- in order to eliminate disputes between agricultural holdings and local communities regarding the payment of taxes, it is advisable to make clarifications to the Economic Code of Ukraine regarding the territorial character of the structural subdivisions of the enterprise, namely, to indicate that the structural subdivisions of the enterprise must be located according to the location (within the territorial community of the same name) of the enterprise - a legal entity, which will allow filling the revenue part of local budgets and implementing social programs;
- to extend the terms of lease agreements, since from the point of view of the organization of stable production, short-term leases are an obstacle to capital investments in long-term land improvement, and the most optimal is a medium-term lease for a period of 6–10 years, which will allow tenants to make investments in long-term land improvement and get a return on invested capital during the long-term period;
- to strengthen the control and stimulating function of the state regarding the rational use and protection of agricultural land, namely, to establish public control over the effective use of land through close cooperation between owners, local self-government bodies and tenants by creating a special commission that will be present both at the transfer of land for lease plot, as well as when receiving it from the tenant after the end of the lease term;
- to introduce mechanisms of financial support for agricultural enterprises, through preferential taxation, seasonal refinancing to central banks, tying agricultural producers to one bank in order to save resources and time.

The first place among the newly created agrarian formations of market direction in terms of economic indicators and scale of production are economic structures that have introduced a full cycle of production and ensured their competitiveness. For their development and effective functioning, tax, price and credit support, the creation of conditions for the sale of products on the domestic and foreign markets, and a stable investment climate are necessary.

At the current stage, agrarian policy should be aimed at creating organizational and economic prerequisites for the formation of strong farms with processing capacities and an extensive sales network in all regions of the region on the basis of economically stable enterprises, involving agricultural enterprises that are in a difficult financial and economic state.

The reform of the legal framework in terms of bringing the regulatory system in the field of food products in line with the requirements of the WTO will allow a 30% reduction in the costs of enterprises for the standardization of agricultural and food products, and under the condition of harmonization within the framework of the extended free trade agreement between the EU and Ukraine, cost savings of enterprises can reach 50% [316].

Bringing the quantitative and qualitative composition of the machine-tractor park to the scientifically based technological need, according to which all operations will be performed in the best agrotechnical terms with high quality and low costs of funds and material and technical resources.

Strengthening the processes of globalization and unification in order to protect their business interests both in the domestic and foreign markets, through the formation of an agrarian lobby, agricultural unions, and transnational associations.

The directions of regulation of the development of holdings are: the formation of intra-economic economic relations on the basis of well-founded theoretical foundations and the assessment of their socio-economic component; development of proposals for the organization and improvement of the personnel management system; optimization of the production structure and development of optimal models of the ratio of industries for efficient management; improvement of the legislative framework for the activities of holding structures in agriculture. The implementation of such directions will ensure rational, highly efficient use of agricultural lands, preservation and increase of their productivity and will allow realizing the export potential of the country, will contribute to the development of all branches of the agricultural sector, rural areas and infrastructure, the creation of new jobs,

Research has established that in order to increase the efficiency of production, it is necessary to increase the qualifications of specialists, to introduce scientifically based technologies for growing agricultural crops; increase the amount of organic and mineral fertilizers, chemical meliorants due to more complete use of domestic phosphorites, potash ores and carbonate rock deposits; attract alternative sources of replenishment of organic matter by expanding crops of siderates, perennial grasses and leguminous crops, using spropel; apply scientifically based crop rotations taking into account the specialization of farms. Mechanisms of economic stimulation for the rational use and protection of agricultural land should be introduced into production, introduce high-yielding varieties and hybrids of agricultural crops, strengthen control over the quality of products; to form a civilized agricultural market, implement a flexible customs and tariff policy, direct state and budget support measures to increase the efficiency of rural development.

In order to stimulate the attraction of investments in agricultural production, it is advisable at the state level to introduce financial support for agriculture in the form of long-term loans, to create a land bank; develop a scale of motives for investors, primarily those who will develop the social infrastructure of the village, investing in its development; conduct an inventory of land; to legislate the limitation of the size of land plots owned by individuals and legal entities.

For the further development of agricultural holdings, a constructive agrarian policy is necessary, which should become a priority in the system of economic transformations. First of all, this concerns the improvement of land legislation and the regulation of property relations, crediting for the development of the infrastructure of the agricultural market and the protection of domestic producers, including by limiting imports. It is necessary to develop mechanisms for attracting investments in agriculture and forming effective management of production processes. Currently, the issue of technical renewal and modernization of production, minimization of intermediary influence on the processes of production and sale of products needs to be resolved.

The implementation of these proposals will provide an opportunity to increase the profit of enterprises, the volume of sales of goods and consolidate their positions on the market. The expansion of agricultural production on a new organizational and economic basis will contribute to the realization of competitive advantages of Ukraine as an agrarian state and the solution of social issues, conservation and rational use of land, development and development of rural areas.

An important factor in increasing the efficiency and ensuring the stability of production in agricultural holdings under modern conditions remains scientifically based crop rotations, which are aimed at restoring and preserving soil fertility and contribute to the creation of a deficit-free balance of humus and nutrients. At the same time, crop rotation is an important element of improving the phytosanitary state of crops, as well as a factor in optimizing the water and air regime of the soil.

Conclusions to Chapter 5

1. The development of the agricultural economy should be closely related to the development of rural areas. Along with the effective management of production, social issues must be resolved, the elimination of social tension and the establishment of partnership relations between commodity producers and the territories within which they conduct production. Analysis of the dynamics of the processes that determine the standard of living of the rural population at the present stage indicates an unsatisfactory state of social development in rural areas, which is currently characterized not only by a deep demographic crisis, the decline of social infrastructure and the "extinction" of settlements, but also by the lack of motivation to work and high level of unemployment, accompanied by the outflow of labor resources.

2. The activity of agricultural holdings is a step forward in the development of the agricultural economy, the restoration of social infrastructure, the creation of new jobs, and the construction of a new model for the development of rural areas. The formation of agricultural holdings takes place evolutionarily, but in a fairly short period of time, which leads to an increase in social tension in rural areas. Conflicts of interest arise between the investor and the local community, due to the reduction of non-core productions, in particular, animal husbandry and the payment of taxes to the budgets of the territorial community at the place of state registration of the investor, which leads to a reduction in revenues to local budgets. For various reasons, in full or in part, not all agricultural holdings start production on leased land in the first year. The technical re-equipment of the production is accompanied by the optimization of the full-time number of employees, while not always enough attention is paid to the social factor — the adaptation of laid-off workers, an individual approach to their possible employment in other positions. For the agricultural holding, the priority is to obtain an economic effect - profit, and for society - to ensure the moral and material benefits of the local community. The effectiveness of a specific enterprise and the public good are always in conflict. Achieving harmony in relations between subjects and forming a balance of interests is an important task that was investigated in this work. Under the current conditions, the needs of society for the implementation of social issues significantly exceed the income from tax payments paid by enterprises. at the same time, not always enough attention is paid to the social factor — the adaptation of laid-off workers, an individual approach to their possible employment in other positions. For the agricultural holding, the priority is to obtain an economic effect - profit, and for society - to ensure the moral and material benefits of the local community. The effectiveness of a specific enterprise and the public good are always in conflict. Achieving harmony in relations between subjects and forming a balance of interests is an important task that was investigated in this work. Under the current conditions, the needs of society for the implementation of social issues significantly exceed the income from tax payments paid by enterprises. an individual approach to their possible employment in other positions. For the agricultural holding, the priority is to obtain an economic effect - profit, and for society - to ensure the moral and material benefits of the local community. The effectiveness of a specific enterprise and the public good are always in conflict. Achieving harmony in relations between subjects and forming a balance of interests is an important task that was investigated in this work. Under the current conditions, the needs of society for the implementation of social issues significantly exceed the income from tax payments paid by enterprises. an individual approach to their possible employment in other positions. For the agricultural holding, the priority is to obtain an economic effect - profit, and for society - to ensure the moral and material benefits of the local community. The effectiveness of a specific enterprise and the public good are always in conflict. Achieving harmony in relations between subjects and forming a balance of interests is an important task that was investigated in this work. Under the current conditions, the needs of society for the implementation of social issues significantly exceed the income from tax payments paid by enterprises. The effectiveness of a specific enterprise and the public good are always in conflict. Achieving harmony in relations between subjects and forming a balance of interests is an important task that was investigated in this work. Under the current conditions, the needs of society for the implementation of social issues significantly exceed the income from tax payments paid by enterprises. The effectiveness of a specific enterprise and the public good are always in conflict. Achieving harmony in relations between subjects and forming a balance of interests is an important task that was investigated in this work. Under the current conditions, the needs of society for the implementation of social issues significantly exceed the income from tax payments paid by enterprises. The effectiveness of a specific enterprise and the public good are always in conflict. Achieving harmony in relations between subjects and forming a balance of interests is an important task that was investigated in this work. Under the current conditions, the needs of society for the implementation of social issues significantly exceed the income from tax payments paid by enterprises.

3. Research shows that limits on social activities are set in agricultural holdings. For example, the Astarta-Kyiv company, which leases 150,000 hectares of land in Ukraine, allocates 1% of its profit to the implementation of social programs. JV "Nibulon" LLC is an example of social responsibility of business. The company is implementing a targeted program. The company pays serious attention to the re-equipment of schools. For medical institutions, the most modern equipment is purchased, which allows the treatment of many serious diseases. In 2003, CJSC "Rise" established an equestrian school. "Agro-Alfa" company finances football teams. The social factor of the company's activity is primarily related to the fulfillment of obligations, according to land and property lease agreements. In the conditions of significant delays with calculations of wages and rent in agricultural enterprises, agricultural holdings make timely payments according to the commitments made. An important social factor in the work of companies is the observance of labor legislation, the provision of benefits to employees, timely deductions of funds to the budgets of all levels. Most of the companies provide targeted assistance to schools, children's institutions regarding the provision of free lunches, holding cultural and mass events related to the celebration of solemn events. They improve the organization of mass cultural and mass sports activities in agricultural higher educational institutions and conduct periodic reviews-contests of amateur artistic activities, sports competitions. An example of this is the economic activity of JSC Mariupol Metallurgical Plant named after Ilyich". provision of benefits to employees, timely deductions of funds to the budgets of all levels. Most of the companies provide targeted assistance to schools, children's institutions regarding the provision of free lunches, holding cultural and mass events related to the celebration of solemn events. They improve the organization of mass cultural and mass sports activities in agricultural higher educational institutions and conduct periodic reviews-contests of amateur artistic activities, sports competitions. An example of this is the economic activity of JSC Mariupol Metallurgical Plant named after Ilyich". They improve the organization of

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4. Holdings not only support the social infrastructure that has developed around enterprises, but also implement programs aimed at developing corporate solidarity of employees, increasing the level of their social security, and creating conditions for comprehensive development of employees. Costs in the social sphere are in most cases compensated by the increase in labor productivity associated with employees' awareness of their responsibility to the team, the acquisition of new work skills, and confidence in the future. At the same time, along with technologies, new management, new management systems and the transfer of part of the social benefits available to the urban population are involved in agriculture. In particular, it is the gasification of settlements, the development of telecommunications: the Internet, mobile communications, satellite television. Motives for the implementation of social programs are highlighted: a) traditions and the structure of social activity of enterprises, formed during the time of Soviet power, when enterprises maintained the social sphere; b) the dependence of companies' activities on mutual relations with local authorities; c) the desire of managers and owners of companies to provide assistance to people in need.

5. In order to improve the efficiency of holdings and the development of rural areas, it is necessary to improve the legislative framework for regulating the activities of agricultural holdings and to eliminate disputes between agricultural holdings and local communities regarding the payment of taxes. It is advisable to make clarifications to the Economic Code of Ukraine regarding the territorial characteristics of the structural subdivisions of the enterprise, namely to indicate that

the structural subdivisions of the enterprise must be located according to the location (within the territorial community of the same name) of the enterprise - a legal entity. This will make it possible to fill the revenue part of local budgets and implement social programs.

The main results of the research are published in the author's scientific works [76, 79, 81, 89, 97, 98, 100].

CONCLUSION

The dissertation research, conducted on the basis of the analysis and assessment of the experience of forming agricultural holdings in the conditions of the market economy of Ukraine, the generalization of the work of agrarian economist scientists, the foreign experience of the functioning of agricultural holdings, made it possible to substantiate the conclusions and recommendations regarding their creation and effective development through the prism of organizational, economic and social factors.

1. The growth of agro-industrial production at this stage does not meet the modern requirements of the market economy and requires fundamentally new approaches to its organization and resource provision, in particular, technical renewal and modernization of production, the creation of a favorable investment climate, the formation of effective management of production processes and the introduction of innovations, such as takes place in agricultural holdings.

From a legal point of view, agro-housings represent the pooling of capital of enterprises under the control of a management company. The initiators of the creation of agricultural holdings are mainly processing enterprises and transnational companies. Studies show that the main motives for their creation are: strengthening competitiveness by building a closed production cycle and regulating inter-industry relations, diversification of financial risks and the opportunity to legalize capital, create a brand, provide a raw material zone for own processing facilities.

2. Agricultural holdings cover, as a rule, the entire cycle of production, processing and sale of products and ensure purposeful reproduction of the industry on a new technological, organizational and economic basis. As a result of the research, the organizational, economic, structural and legal stages of the creation of agricultural holdings were identified, a general scheme and organizational model of an agro-industrial association was built, in which the management system consists of two control centers - financial and production. A comparative analysis of integration of spheres of economic activity was carried out depending on the form of association of companies. The key options for the organization of the agro-industrial chain of an integrated structure and the possibility of its optimization by uniting enterprises into a territorial production cluster are substantiated. Accumulation of financial, material.

3. One of the factors determining the success of the development of agricultural holdings is the establishment of effective management of production processes, the components of which are: training and advanced training of personnel, management of market risks, optimization of financial and investment activities taking into account the company's single mission and long-term goals, control for rational management of business processes, effective use of new equipment and modern technologies and production management systems in combination with modern methods of working with personnel.

4. An important condition in the management of the production and economic activity of agricultural holdings is the motivation of work. The main requirements on which it should be based include: provision of equal opportunities for promotion based on the criterion of work efficiency, creation of appropriate conditions to protect the health, safety, and well-being of all employees, maintaining an atmosphere of trust in the team, etc. The functional structure of personnel management in agricultural holdings provides for the organization of document flow, project personnel management, personnel training, training and implementation of social programs, basic requirements for managers and specialists of all levels, which are due to the need to strengthen organizational work with personnel.

5. The effectiveness of business process management in agricultural holdings is ensured thanks to the construction of a centralized financial system - budgeting, which provides for planning, accounting and control of income and expenses of structural divisions, clearly differentiated according to the centers of profits and expenses of production activity. At the same time, functional services are created within the central office, monitor and serve divisions.

6. Technical and economic advantages of agricultural holdings are: adequate level of resource provision, greater opportunities for rational organization of production, use of equipment, processing, storage and sale of products in better terms and of higher quality. Effective use of resource potential is ensured by the construction of vertically integrated structures with delivery of products to the final consumer and control of costs at all stages of the technological chain and minimization of the influence of intermediary structures. Intensive resource-saving technologies are being implemented taking into account the bioclimatic potential of the regions, specialization and concentration of production is deepening.

7. Ensuring the sustainable development of production should be achieved by balancing the balance between the amount of resource potential and the ability of the land to reproduce its fertility. When forming land masses, the company must be guided by the principle of economic rationality, which ensures manageability and competitiveness of production and promotes the development of rural areas.

8. More than 60 large holdings operate in Ukraine, most of which are not separated into separate businesses. Currently, they have about 6 million hectares, or 24% of arable land, and they are the largest producers of grain and technical crops. Practically all agricultural holdings provide for the expansion of land masses. According to experts' forecasts, more than 200 agricultural holdings will be formed in Ukraine by 2015, and gross grain production will reach the level of 60-70 million tons.

9. The formation of agricultural holdings takes place in a fairly short period of time, which leads to an increase in social tension in rural areas. For various reasons, in full or in part, not all integrated structures start production activities on leased land in the first year. The technical re-equipment of the production is accompanied by the optimization of the full-time number of employees, while not always enough attention is paid to the social factor - the adaptation of the laid-off workers, an individual approach to their possible employment in other positions. For agricultural holdings, the priority is obtaining an economic effect - profit, for society

- ensuring the moral and material benefits of the local community. The efficiency of a particular enterprise and the public good are always in opposition. Achieving harmony in relations between subjects and forming a balance of interests is an important task of research. Under the current conditions, the needs of society for the implementation of social issues significantly exceed the income from tax payments paid by enterprises.

10. Agricultural holdings not only support the social infrastructure that has developed around enterprises, but also implement programs aimed at developing corporate solidarity of employees, increasing their level of social security and creating conditions for comprehensive development. Costs in the social sphere are mostly compensated by increasing labor productivity, acquiring new work skills, and confidence in the future. At the same time, along with technologies, new management, new management systems and the transfer of part of the social benefits available to the urban population are involved in agriculture. The formation of agricultural holdings is the foundation for further reproductive processes in the economy, the primary basis for the formation and implementation of a socially oriented policy: the restoration of social infrastructure,

11. The development of the agricultural economy should be closely related to the development of rural areas. Along with effective production, it is necessary to solve social issues, avoid social tension and promote the establishment of partnership relations between commodity producers and the territories within which they conduct production. In this regard, there is a need to introduce mandatory reporting of the economic activity of agricultural holdings in order to identify them in the area and fill the revenue part of local budgets, in particular, through the introduction of a property tax in the amount of 1% of its value, strengthening of land legislation in terms of targeted land use. The state's position in matters of effective use of land resources should consist in the purchase of unclaimed shares with their subsequent lease.

12. Ensuring the social development of rural areas requires the development and implementation of a constructive state agrarian policy, which should become a priority in the system of socio-economic transformations and be aimed at regulating economic relations in integrated agricultural formations, including agricultural holdings. This will be facilitated by the introduction of registration of structural subdivisions of agricultural holdings based on the location of the land plot, which will allow filling the revenue part of local budgets and implementing social programs of local territorial communities.

13. The main areas of improvement of personnel management are: reforming the management system of structural units, while clearly defining cost centers and profit centers; regulatory delimitation of the competence of the main specialists of the central office and directors of branches, as well as the principles of their motivation; creation of an internal recruiting service; optimization of the number of personnel, taking into account the different intensity of production of agricultural products during the year; reforming the labor remuneration system, based on the quantity and quality of the products produced; carrying out personnel assessment, including attestation of management personnel; organization of training modules for branch directors and training of primary accounting staff.

14. The strategy for the development of agro-industrial production should be the expanded reproduction of production on a new resource, technological and organizational base. At the same time,

agricultural holdings should be the driving force behind integrated production and an effective tool for attracting investments. Their consolidation should take place in the direction of strengthening vertical integration and improving an effective business model due to the accumulation of unique experience and the introduction of innovative technologies. Balancing the interests of diversified production and the socio-economic and environmental needs of consumers is crucial; achievement of company management. The undisputed priority should be the socially responsible market behavior of companies, which should manifest itself in the financing of programs for the social development of rural areas. The need to change the psychology of thinking, which should be focused on finding product sales markets and improving its quality parameters, becomes of fundamental importance; risk assessment and detailed planning of business activities in the short, medium and long term, and only then ensuring and increasing the volume of its production.

The largest agricultural holdings of Ukraine, their sizes and types of activities(2011)*

No	Name	Characteristics of production activity	Specialization and territorial placement	Area, thousand hectares
1	<p>Ukrlandfarming plc- the largest agricultural holding of Ukraine, controlled by businessman O. Bakhmatyuk. In 2011, it included a number of large companies: "Rise", "Dakor Agro Holding", LLC "Agro-Alfa", "Avangard". In 2011, he attracted a five-year syndicated loan in the amount of \$600 million at Libor+8%.</p>			480
	CJSC "Rise", 1992	The holding includes a sugar factory, 3 elevators with a total capacity of almost 620 thousand tons of one-time storage, 5 seed plants, 5 subsidiaries specializing in the distribution of high-quality seeds, plant protection products, min. fertilizers, agricultural machinery, and trade in grain and oil crops. Represented by 64 branches throughout Ukraine. 2 subsidiaries in the Russian Federation and 1 in Moldova	Agricultural production, processing, storage and provision of services. Located in Poltava, Sumy, Ternopil, Zaporizhzhia, Rivne, Kirovohrad and Cherkasy regions	180
	"Dakor Agro Holding"	Cultivation of grain and oil crops. By 2010 – build 4 elevators with a capacity of 50,000 tons each, – 5 sugar factories	Lviv, Zhytomyr, Khmelnytska, Ivano-Frankivsk, Ternopil region	164
	Ltd "Agro-Alfa"	Cultivation of grain and industrial crops, breeding of cattle (22 thousand heads)	Zhytomyr, Kyiv, Chernihiv, Poltava	82
	Company "Vanguard"	According to the results of 2010, it occupies 26% of the egg market (43% of the industrial egg market) in Ukraine and 79% of the country's egg products market. According to the results of the first half of 2011, the production of eggs increased by 83% compared to the same period in 2010 - up to 2.9 billion eggs; by 30% of the poultry population - up to 24.4 million heads. As a result of the IPO on the London Stock Exchange in May 2010, the company raised \$200.2 million. In October 2010, the company placed Eurobonds in the amount of \$193.5 million	The company's enterprises are located in 14 regions of Ukraine and in the Autonomous Republic of Crimea. In October 2011, the first phase of poultry farms for 5 million heads will be launched in the Kherson region, in which \$250 million has been invested	h

No	Name	Characteristics of production activity	Specialization and territorial placement	Area, thousand hectares
2	Ltd "Ukrainian agricultural investment"	The company grows wheat, corn, sunflower, rapeseed, soybeans and barley and consists of 70 agricultural companies. In 2011. cultivated up to 216 thousand ha. The company's EBITDA in 2010 was at the level of \$40 million	Kirovohrad, Poltava, Chernihiv, Sumy, Khmelnytskyi, Ternopil, Odesa, Mykolaiv, Chernivtsi	330
3	Group enterprises WATT "Myronivskiy bread product", 1995	20 enterprises that are united in the production facilities of the entire technological chain of poultry production. The composition includes: 6 poultry farms, a plant for the production of cereals and compound feed. It occupies about 40% of the broiler meat market. The products of "Myronivsk Hliboprodukt" are produced under the following brands: "Nasha Ryaba", "Legko!", "Friendship of Nations", "Bashchynskiy", "Europroduct", "Certified Angus" and "Foie Gras". About 65% of MHP shares belong to Y. Kosyuk, the last 35% are in free circulation on the London Stock Exchange. MHP ended 2010 with a net profit of \$215 million, its revenue grew by 33%, or \$233 billion, to \$944 billion compared to 2009.	A vertically integrated complex of enterprises for the production of chicken, hatching eggs, fodder and cattle breeding. ARC, Kyiv, Cherkasy, Kherson, Dnipropetrovsk, Vinnytsia, Donetsk, Ivano-Frankivsk	280
4	Agroholding "Mriya", 1992	In June 2008, Mriya Agro Holding completed a private placement of 20% of shares for the total amount of \$90.1 million, and in March 2011 it placed five-year Eurobonds for \$250 million. According to the results of January-March 2011, the holding received a net profit of in the amount of \$1.62 million against a net loss of \$6.96 million for the same period in 2010. In May, the company also signed an agreement to increase financing with the International Finance Corporation (IFC), according to which it received \$50 million	Created by Ivan and Klavdia Gutami. Specializes in growing wheat, barley, rapeseed, sugar beet, buckwheat, potatoes. In four regions of Western Ukraine	240 (plan-290)
5	"HarvEast", 2011	Created on the basis of agricultural assets of JSC MMK named after Ilyich, acquired in 2010 by "Metinvest", a mining and metallurgical holding created by SCM and "Smart-holding" with shares of 75:25. Controls 67 agricultural enterprises. There are 36,000 cattle, 60,000 pigs, and more than 270,000 poultry.	Cultivation of cereals, sunflowers, vegetables, potatoes, melons; production of milk, eggs, poultry meat, wool. Donetsk, Zaporizhzhya, Cherkasy, Zhytomyr regions and Crimean Autonomous	238

No	Name	Characteristics of production activity	Specialization and territorial placement	Area, thousand hectares
			Republic	
6	Ltd "Astarta-Kyiv", 1993, Astarta Holding NV	Includes 36 agricultural enterprises, 2 trading companies, 8 sugar factories. In 2010, it processed 1.56 million tons of beets and produced 200,000 tons of sugar, which was about 13% of the total production of beet sugar in Ukraine and kept the company in first place on the market. In 2010, it increased its net profit by 2.7 times - up to Eur80.04 million. Its consolidated income for 2010 increased by 71% - up to Eur219.33 million. The holding employs about 7 thousand people	Cultivation of sugar beets, grain and oil crops, cattle, production of compound feed, canned vegetables and fruits. Poltava, Vinnytsia and Khmelnytsky regions	230 (plan – 250)
7	DP "Nafcom-Agro"	The business is mainly focused on crop production, the company owns elevators. "Nafcom-agro" is associated with the name of the son of the ex-president of Ukraine Leonid Kravchuk	Chernihiv, Poltava, Vinnytsia, Sumy, Cherkasy	200
8	CJSC "Agroton", 1992	2 elevators, 2 mills, an oil production plant, a compound feed plant, a pasta factory, a bakery, a poultry farm. Warehouses with a total capacity of 235,000 tons. 55.38% of the companies belong to IFG directors limited, 18.46% to BNY (Nominees) Limited. Net profit in 2010 increased 3.1 times to \$15.7 million	Cultivation, as well as processing, storage and sale of products in Luhansk and Kharkiv regions	150 (plan – 200)
9	Corporation "Privat-Agro" (city of Dnipropetrovsk) 2005	Control over 30 agro-industrial and trade enterprises. Zaporizhzhia MEZ, Kharkiv and Lviv fat processing plants. The brand is "Chedro". There are more than ten elevators in the Zaporizhzhia region	Dnipropetrovsk, Poltava, Kharkiv, Cherkasy, Odesa, Mykolaiv, Lviv, Kirovohradsk	150
10	NCH New Europe Property Fund Lp (stock)	A fund whose funds are invested in real estate and agricultural companies. Through majority shares in three Ukrainian joint ventures, controls 35 agricultural companies. According to NCH Capital Inc., the company that manages the fund, NCH New Europe Property Fund Lp, its volume is \$550 million	h	About 300
11	"Ukragroinvest" 2005	Cultivation, purchase, sale and processing of grain crops, rapeseed, soybeans. CJSC "Lanniv milk cannery plant", Khmelnytskyidry skimmed milk plant	Vinnytsia, Kirovohrad, Cherkasy, Poltava, Chernihiv, Sumy, Khmelnytskyi, Ternopil, Odesa	140 (the plan is 250)

No	Name	Characteristics of production activity	Specialization and territorial placement	Area, thousand hectares
12	Valinor Public Ltd	In 2011, it was separated from the Valars Group, which controls 358,000 hectares, including on the territory of Russia (238,000 hectares) and Ukraine (120,000 hectares). In 2011, expand the land bank in Ukraine by 25% to 150,000 hectares. Russian grain trader. Warehouse assets contain 972 thousand tons, incl. three elevators in Russia and four in Ukraine. The owner of the group is Valars Management, the main beneficiary of which is Kyrylo Podolskyi	Mykolayivska, Poltava, Cherkassy	120 (plan – 150)
13	Ltd "Agroprodin-west", 1993	Four confectionery factories - in Ukraine, one - in Russia, one - in Lithuania. In 2001, the company bought three sugar factories in Vinnytsia. TM "Home brand", "Radomyshl"	Cultivation of cereals, corn, soybeans, rapeseed, sugar beets. Develops dairy farming in Vinnytsia and Cherkasy regions	100
14	"Loture"	The composition includes the company "Korovay", the flour milling company "Luhanskmlyn". The company is actively engaged in grain trading (it is among the leading grain exporters)	It is engaged in agricultural production, grain processing, as well as the production of bread, bakery and confectionery products in the Luhansk region	101
15	"Stiomi-Holding" LLC, 1994. (Khmelnyskyi)	Mbus and tractor park - more than 500 units. The group includes Khmelnyskyi bread factory	The main activity is concentrated in the Khmelnyskyi region	100
16	Sintal Agriculture, 2008	She owns two sugar factories, a pig farm. The total capacity for grain storage is 140,000 hectares (including 100,000 tons - elevators). In 2008, it conducted a private placement of 15% of its shares and sold them for \$34.5 million, and in October 2009 it carried out a private placement of 17.2% of its shares for \$13 million. The company's shares are listed on the Frankfurt Stock Exchange. 53% of the shares belong to N. Tolmachev	Grows wheat, corn, sunflower, barley, sugar beets, buckwheat, soybeans, peas, etc. cultures in the Kharkiv and Kherson regions	100

No	Name	Characteristics of production activity	Specialization and territorial placement	Area, thousand hectares
17	APC "Shakhtar", "Mine named after Ambush"	26 agricultural enterprises, 6 thousand cows, 25 thousand head. pigs, 500 thousand broilers, 1 million chickens.	Agricultural production in the Donetsk region	100
18	JSC "Ukrzernoprom", 1998	A vertically integrated holding that unites 30 enterprises of the flour milling and baking industry in different regions of the country: 8 bread factories, 2 poultry farms, elevators. It is among the top three producers of bread in Ukraine. 16 agricultural enterprises. 99.9% of the shares of Ukrzernoprom CJSC belong to MCB Agricole Holding AG	Cultivation of grain, oil crops, rapeseed Chernihiv, Kharkiv, Poltava, Vinnytsia, Khmelnytskyi, Zhytomyr, Odesa, Mykolaiv, Dnipropetrovsk regions and ARC	96
19	Bank group "Kyiv"	Kagarlytskyi and Brailivskyi sugar factories. Capitalization - 105 million dollars, the plan - for 2009 - 250-300 million dollars.	Kyiv, Cherkasy, Poltava, Chernihiv	90
20	"Kernel Group", 1994	The company owns three large processing plants with a total capacity of 730,000 tons per year and 24 elevators with a one-time storage capacity of up to 2.2 million tons), the share of sunflower seed processing is 15% of Ukraine's harvest. Represented by trademarks: TM "Stozhar", "Chumak", "Schedryi Dar", "Lyubonka". Financial indicators (9 months of the fiscal year ended March 31, 2011): revenue - \$1.43 billion, net profit - \$164.1 million. Kernel Holding controls 35% of the Ukrainian bottled oil market, in 2011 it acquired 100% of the Russian Oils group (Rus, Zlatitsa, Sila Sonnya, Kuhar PetroKuhar Pavlo brands). "Kernel" entered the index of the twenty largest companies on the Warsaw Stock Exchange (WSE) Wig-20. In March 2011, it acquired 71% of UkrrosSugar Union for \$42 million About 41.16% of Kernel is owned by the company's chairman A. Verevskyi	A vertically integrated national company. Produces sunflower oil, distributes bottled oil in the country, exports oil and grains, provides services for the storage of grain and oil crops in elevators, and also has agricultural production in Poltava, Odesa and Cherkasy regions	85 (215)

No	Name	Characteristics of production activity	Specialization and territorial placement	Area, thousand hectares
	"Sugar Union "Ukrros"	6 sugar factories, as well as 12 enterprises, elevators	Kharkiv, Cherkasy, Zaporizhzhya, Ternopil, Mykolaiv regions	75
21	CJSC "Industrial dairy company", 2007	In 2010, the company produced 117,000 tons of grain and oil crops, 6,000 tons of potatoes, and 98,000 tons of green fodder. The number of IMC dairy herds is 5.6 thousand. In 2010, it produced 16,000 tons of milk and increased revenues by 72.3% to \$34.8 million, net profit by 9.2 times to \$14.8 million. In 2011, at the IPO, WSE, for 24% received \$29.8 million. Belongs to the chairman of the board of the company A. Petrov (former owner of the "Cheese Club" holding)	It specializes in the cultivation of grain, oil crops and potatoes, and is also one of the largest producers of milk in Ukraine. Poltava, Chernihivska	85
22	Avias-2000 group of companies	Agricultural production	Dnipropetrovsk region	80
23	"Svarog West Group", 2003	The elevator capacity is 120,000 tons. The corporation includes 26 enterprises engaged in animal husbandry and horticulture, with large vegetable and fruit warehouses. Cattle population - 12.5 thousand heads	Khmelnitskyi and Chernivtsi regions	75
24	Harmelia Holdings	It specializes in the production of grain and oil crops	Kharkiv and Poltava region	72.7 (plan – 140)
25	LLC SP "Nibulon", 1991, Mykolaiv	The company has 40 divisions located in eleven regions of Ukraine, elevator capacities with a total capacity of about 2 million tons, as well as its own transshipment terminal in Mykolaiv. Since 2009, it has been implementing a project involving the commissioning of a total of 17 elevators and river terminals, the creation of a fleet of 57 self-propelled and non-self-propelled vessels (including 14 tugs) with a total deadweight of 200,000 tons.	One of the largest domestic producers and exporters of agricultural products (wheat, barley, corn, rye, sunflower, etc.). Kharkiv, Poltava, Luhansk, Mykolaiv, Cherkasy, Khmelnytskyi, Vinnytsia regions	70 (plan – 90)
26	Landkom International	Cultivation of cereals and rape. The plan is to build four elevators in Western Ukraine.	Lviv, Ternopil, Khmelnytska, Ivano-	67 (plan –

No	Name	Characteristics of production activity	Specialization and territorial placement	Area, thousand hectares
		During the IPO in November 2007, the company raised \$111 million, in March 2008, the company raised \$22 million.	Frankivsk	120)
27	"UkrAgroCom", 2000	It specializes in the production of grain and oil crops, raising pigs and cattle. the total capacity of elevator storage is more than 170,000 tons, its own compound feed plant	Kirovohradsk	63
28	"KSG Agro"	13 agricultural enterprises. The net profit of "KSG Agro" in 2010 increased almost four times - to \$10.05 million, revenues - by 13.4% to \$15.6 million. According to the results of 2011, "KSG Agro" expects a net profit of \$20 million, revenues - \$27 million. On April 15, 2011, the company made an initial public offering (IPO) on the WSE. 33% of the company's shares were sold for \$40 million	A vertically integrated holding that is engaged in the production, storage, processing and sale of grain and oil crops, as well as vegetables and fruits. Dnipropetrovsk, Kharkiv and Kherson regions	52.9
29	Agro-Trade Company LLC, 1998, Kharkiv	The group includes 11 elevators and grain receiving enterprises with a total storage capacity of 530,000 tons in five regions of Ukraine. For 2011, investments in the amount of UAH 86 million are planned. Net income in 2010 increased to \$187 million compared to \$118.6 million in 2009. The volume of grain exports in 2010 was 620,000 tons.	Kharkiv, Poltava, Sumy, Chernihiv and Luhansk regions	45 (plan – 150)
30	Donetskstal, "ENERGO" concern	Cultivation of grain crops and harvesting of fodder, animal husbandry, poultry and beekeeping. Included: Donetsk OJSC "Winter" (ice cream), and dairy plant OJSC "Lactis"	Donetsk region	44
31	Baryshev Grain Company LLC	Cultivation of grain crops. Production of feed additives	Kyiv, Cherkasy regions	40
32	Agricultural firm "Gardens of Ukraine"	Agricultural production. Production of high-quality seeds. It has 10 branches	Kharkiv, Poltava, Mykolaiv, Odesa, Dnipropetrovsk, Cherkasy regions, ARC	40

No	Name	Characteristics of production activity	Specialization and territorial placement	Area, thousand hectares
33	Agricultural firm "Dawn"	three sugar factories. Agricultural production	Kyiv, Chernihiv	40
34	Agricultural Association "Clean Well"	Cultivation of grain and oil crops	Poltava region	35
35	MK Group, Serbia	Cultivation of grain and oil crops, sugarbeets. 2007 - the beginning of the construction of an elevator in Yagotyn (Kyiv region) with a total capacity of 113 thousand tons per year. Investment in the project – EUR 10 million	Kyiv, Vinnytsia, Poltava and Cherkasy regions	35 (52)
36	CJSC Agromars Complex, 1998.	Grain production, elevators, feed mills. The second largest producer of chilled broiler meat. TM "Gavriliivski chickens". 2006 - purchase of OJSC "Kurgan broiler" with foreign investments (Kharkiv region)	Kyiv, Ternopil region	35
37	Yuvs LLC	Verensky, Uhroidsky, Pivnenkivsky sugar factories in the Sumy region, poultry farm named after Putivlsky partisans (TM "Slobozhanske egg"), Verensky poultry farm, elevators, the total storage capacity of which is 80,000 tons	Sumy region	34
38	"ATK", 2005	The main activity is the production of soybeans and corn	Kyiv and Zhytomyr region	35.2 (plan – 60)
39	LLC "Hals-K LTD", AVK	Grigor.-Pustohariv sugar factory, Lynovytskyi sugar factory "Krasny" in Chernihiv region, Kashperivske HPP	Kyiv, Chernihiv regions	33
40	Agricultural firm "Olympex-agro"	Agricultural production	Dnipropetrovsk region	32
41	Interagroinvest	13 out of 25 agricultural enterprises of Stavyshtan district	Kyiv region	30
42	Ltd "Agrocomplex "Green Valley"	The structural division of the company "Tera Food" is the leader in the spread market of Ukraine and one of the main producers of hard cheeses (9% of the domestic market). Key brands: "Tulchynka", "White Line", Premialle, Milklife, Ukrainianglory	Vinnytsia region	30
43	ZAO Agrotech Corporation, 2000	Agricultural production	Kyivska	27
44	Continental Farmers Group (CFG,	In 2011, it carried out an initial public offering (IPO) on the alternative platform of the London Stock Exchange (AIM LSE)	Lviv region.	21 (plan – 50)

No	Name	Characteristics of production activity	Specialization and territorial placement	Area, thousand hectares
	Isle of Man)	with a parallel listing on the Irish Stock Exchange (ISE) and raised EUR 16.7 million		
45	Alpcot Agro	The Swedish agricultural company controls 204.6 thousand hectares in Russia and Ukraine, including 188.7 thousand hectares of land in the Russian Federation	h	15.8 (plan – 30)
46	Milkiland	It unites 10 processing plants and 4 agricultural farms. The owner of 94% of the authorized capital of the company MilkilandNv, registered in the Netherlands, is the chairman of the board of directors of the company A. Yurkevich	h	15.7

*The source of information is publications in mass media, surveys of owners and managers of agricultural holdings. Also, the source of information is [100, 117,108]

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