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M.I. KISIL, candidate of economic sciences,
Head of Department of Investments
National Scientific Center «Institute of Agrarian Economics»

Strategic investment directions for the deelopment agriculture of Ukraine

Scientific problem. The military events occurring presently is directly effecting the economy and population of Ukraine. Especially, events have adversely affected the investment, which led to the deterioration of the socio-economic status of the population and the deterioration of the economy as well as national security. Despite indications of some sustainable investment in agriculture military events have significant reduced, and further negatively affected the development of all sectors of the economy, food security and the stability of the state. Therefore, even in the face of military events it is necessary to create conditions to promote active development of agriculture in the strategically, perspective, and available utilize investment resources, strategically, in positive and critical directions. In connection with this definition of priority areas for investment in terms of military events it is essential for the formation of policies and programs of the agricultural sector, therefore, the theme of this article is relevant.

Analysis of recent researches and publications. Aspects of the investment strategy of agricultural development has been actively investigated in Ukraine and abroad, although the goal of these studies in each case is different. In countries with unstable and underdeveloped economies the strategic goal investing into the development of agriculture is to overcome poverty and injustice [1], compared to developed economies - rural development [2] support government priorities [3], the implementation of the principles of responsible investing [4] inclusion in the investment processes of small producers [5], in particular women [6], the priority development of certain sectors and regions [7, 8], at the international level - a global or interstate system of agriculture [9], and in basic ways - protection of investments in land seizures. [10] The issue of strategic investment directions for the development of agriculture sectors, which are in a state of military action, as well as attempts through rural development to counter their negative consequences, has been insufficiently studied.

The objective of the article – the main rationale of strategic investment directions of development of agrarian sector of Ukraine in terms of military events.

Statement of the main results of the study. Providing the population with food and increase export potential was a major task of the state of the national economy after independence of Ukraine. The possibilities of solving this problem have increased significantly with the reorganization of collective farms, based on common joint property, and the creation of private property.

The creation of private agricultural farms immediately increased investment activity. The highest annual growth rate in capital investments (30-40%) occurred between 2001-2008. Thanks to reforms, although delayed, has achieved sustainability in food security for the population and a significant increase in Ukraine's agricultural export potential. After the financial crisis in 2008 investment in agriculture grew mainly due to foreign sources, although at a lower pace. The increase in foreign currency reserves, in turn, positively affects the formation for private and borrowed sources of financing and investment for the agri-food sectors.

The period of the previous Yunakovich administration increased, dramatically, the negative process. Especially, relating to the seizure of the economy by criminal organizations, complete corruption and legalized appropriation of fiduciary funds by senior officials through legitimate business structures to support agriculture. These activities have not been fully eradicated, therefore, stagnated the development of this industry. In regions of the country, where investments in agriculture have been minimal, disruption of social stability, with an increase in external threats and military events.[11]

Military events, in turn, perpetuated more significant violations to the investing activities of agricultural producers resulting in a substantial decrease in investment in 2014 (Table).

Investments in agricultural production in Ukraine in 2010-2014

(in comparable prices)

Indicator	2010	2011	2012	2013	2014
Investments, total, million UAH	2171	2866	3150	3140	2656
in% to previous year	116	132	110	100	85
Attributable investments, UAH: on 1 ha of agricultural land on 1 worker	103,1 3354	135,8 4523	148,4 5049	148,1 5318	125,9 4655
Agriculture share of investments in the economy,%	7,8	7,5	7,9	7,0	8,4

Source: Author's calculations based on Ukraine State Statistics.

Slowing investment in agriculture in 2014, and the short-term outlook in 2015, will negatively affect to development. During the studies found that correlation and regression relationship between the size of investment in agriculture on 1 ha of land and commodity production and gross value added industry is characterized almost direct dependence (R = 0,93), and between investments in industry and GDP in the whole of Central distress communications (R = 0,56). Therefore, reducing investment in agriculture is threatened in the near future not only significant decrease in production and sales of its products, but also the entire GDP of the state, and therefore its defense.

Therefore, along with measures of a military nature in the country must take measures to stimulate investment in the agricultural sector. This will give impetus to the development of other sectors of the economy, boosting economic activities of the population and small agribusiness revenue growth budgets of all levels, and ultimately strengthen security. In public policy, these measures should be regarded as having priority and defensive value. Countries with food supplies can use it, in particular, to protect against military threats. All developed countries of the world have a strong agricultural economy and priority allocated significant budgetary funds to support its development. Despite the military events, this should be done in Ukraine, and given the significant budget limitations, to direct this support in priority areas.

Priority investments of the agricultural sector in terms of military events expedient way to ensure economical use all possible levers of economic regulation and its implementation relatively cheap organizational, economic, financial and other measures, including those that enable to eliminate corruption, racketeering and other shadow impact structures guarantee rights investors and the possible return of borrowed funds. Along with the economical use of the budgetary founds should invest in measures to preserve state property, which will be needed after the military events. It costs little but necessary.

During the previous administration had collapsed almost all state support of the agricultural sector, except for VAT refunds. Small amounts that allocated for budgetary programs, priority is also used, but in favor of large agribusiness, close to the highest authorities.

Nowadays, despite a military event in public administration and public policy, is a partial understanding of the importance of supporting the development of agriculture, as evidenced by the allocation for this purpose some of the budget [12] and the establishment of certain benefits. Thus, saved supporting agricultural producers due to the accumulation of savings

VAT and single tax (economic effect - 18 billion UAH) allocated an additional 300 million UAH in compensation for interest rates on loans to commercial banks, which will allow producers reduce the cost of 4 billion UAH loans and 250 million UAH to support livestock. However, the level of that support is not sufficient for activation in 2015 investment in agriculture. Due to these 250 million UAH possible to reimburse 50% of the construction of dairy farms cows only for 4000-4500.

It is also expected that in a military event source of investment for agricultural development in the short term will remain deficient, so the relevance of tasks regarding the using of these sources on priorities retain its sharpness.

In defining the priorities of investment in agricultural development on strategic perspective should primarily focus on the most vulnerable entities.

The military events most affected on population. The population is now important to have a source of income to survive this period. Therefore, the state needs because of the relatively low-cost measures to promote the development of investment activity of the rural population and small agribusinesses. To a greater extent this applies to small, relatively cheap but massive projects that involve the using of unused production capacity and facilities, the creation in the short term few capital intensive new production capacity, production deficient and dependent on import products to meet domestic demand, growth and export potential involvement of sub of objects of small and medium agribusiness.

Since Ukraine has not achieved food security on certain products for the period of military events should refuse imports of scarce products and through institutional and other measures involve creating its own production. Limited budget funds advisable to encourage private capital investment in production deficit agri-food products.

Investing activities primarily small agribusiness advisable to support and guide the measures to: increase the production of pork, cattle, sheep, poultry, rabbits and milk in personal farms and other small agricultural enterprises by supporting new construction and modernization of their facilities; creation of cooperative agricultural enterprises in the semis, transportation, handling and processing of agricultural products; accelerate the development of logistics and exports infrastructure; realization of export-oriented projects with foreign funding.

The problem of import substitution and growth in meat consumption can be successfully solved by the creation of small and cheap pigs in private peasant farming. It is a mistake to believe that small farms are inefficient. Now for the practical implementation developed economical and ecological variants of mini pig farms is quite acceptable terms of return on investment. Author calculations show that thanks to the mini pig farms in private peasant farming can increase the number of pigs on 1,8-2,0 million heads., sales of pork in live weight at 210-220 thousand tons per year, and the gross domestic product of the state worth more than 8 billion UAH a year. In view of the creation of a space for sows cost 13-15 thousand UAH for young pigs - 3,5 thousand UAH general need for capital investment will be 7 billion UAH, and their performance - 1.1 UAH growth GDP on 1 UAH of investments annually. For methodological support of investment activities in the department of National Scientific Center "Institute of Agrarian Economics" was developed exemplary investment project to create a mini pig private peasant farming [13]. The main source of investments for these funds will be a citizen, but important to them organizational support, especially in the delivery of resources and services.

Especially important is to increase milk production in the subsidiary and farms. For this purpose it is necessary to assist them in the creation of small dairy farms. Relevant guidelines and model investment project developed in NSC "IAE" [14, 15 and 16]. According to the calculations of the author, the general needs for investment is about 12 billion UAH. Implementation of this investment direction will increase as sales of milk and beef to populations and improve the quality of this product.

During the military events need to make the most of mechanisms to attract foreign direct investment, stock, credit and other investment resources. However, the practice of foreign direct investment in Ukraine still does not meet expectations on their size, structure and role. In

2010-2014 because of the deteriorating investment climate and military events held outflow by 30 percent. According to calculations Department employee investment NSC "IAE" TV Matsybory in the period to 2020 can expect an increase in foreign direct investment in agriculture to 850-900 million dollars. USA.

National agricultural companies by this time heavily involved in the global stock market. However, in 2014 these funds flow stopped. It remains necessary to restore the confidence of investors in the stock of securities Ukrainian agricultural companies, even those that operate outside the military events. This trust will be restored if foreign companies are confident in the positive for Ukrainian agribusiness development.

In the international integration of Ukrainian agricultural producers interested in powerful global companies and financial institutions, including IFC, EBRD and the Chinese General Contracting Corporation and machine industry, which at sufficiently favorable terms already provided substantial loans for implementation of investment projects. One such major projects implemented with the 2013 loan involving China Corporation general contracting and machine industry through Eximbank of China and Ukraine are in the supply of agricultural investment projects were developed in the NSC "IAE" working group under the leadership of the author [17]. However the practical implementation of this project in the 2013-2014 Chinese side recognized as unsatisfactory [18]. The new leadership of the Ministry of Agrarian Policy and Food of Ukraine and the State Food and Grain Corporation of Ukraine (DPZKU) has taken a number of measures to improve the performance of contractual obligations, but to execute them in full until the corporation can not yet [19]. Therefore DPZKU and other agricultural companies should strictly enforce adopted them credit obligations.

In the international integration of the national agricultural sector involved usually large agricultural companies. However, on a national scale it is successful when it most will involve all forms of entities, including small. The involvement of small agribusiness to the integration process best handled through cooperation and joint activities and personal farms and other agricultural enterprises. However, agricultural cooperation in Ukraine does not have sufficient conditions for significant prospects. So realistically feasible option for small agribusiness participation in the processes of international integration is bringing him to major projects of production, harvesting, storage, processing and export of agricultural and food products, implemented with foreign investment resources large companies and public corporations, including the above-mentioned DPZKU. This practice is the collective investment of large and small agricultural business is common in the world. The results of foreign studies suggest the possibility of a special introduction in Ukraine [20]. So in terms of military events can include personal peasant farm and other small and medium-sized farms to large agribusiness projects National Integration.

Participation of small agribusiness international integration in war could also promote measures to attract foreign loans for the creation of a network of milk collection from farms and personal capacities for its processing into milk powder and butter for export, as well as providing the population with quality milk. This project is currently under discussion in the NAAS, particularly in the NSC "IAE", together with interested foreign company. The prospects of this project far more dependent on foreign partners and their interest in increasing the market share of milk and benefit from the supply of foreign equipment, milk and milk collecting stations, and vehicles.

In view of the specialization Ukrainian agricultural sector in international division of labor is important to ensure access of small and medium enterprises to export grain by grain formation of a network of cooperatives based on attracting foreign loans for purchase of necessary imported equipment, the formation of consignments of the product and its implementation on the outer and domestic markets. Experience in the development of NSC "IAE" relevant projects is show that the estimated cost of establishment of elevator capacity of 1 ton per single store is: 3 thousand ton - 399 dollars. USA 5 thousand ton - 371 and 10 thousand tons – 300 dollars USA.

The most acute problem nowadays in the international integration of small domestic producers is the issue of upgrading to European slaughter animals raised in farms in rural areas. The capacity that correspond European requirements is virtually absent now. They should be quickly set up by reconstruction, modernization and technical upgrading existing facilities and building new ones. According to the calculations of the author, the total cost of the transition to the European system slaughter of households of 1.8 and 2.3 billion UAH.

In order to promote international integration processes agricultural sector should also take measures to: the creation of a favorable investment climate in the country and fight against corruption, development of market institutions, etc; organizational support of investment projects involving international integration of small and medium-sized agricultural enterprises, farms and private farms; creating a network of accredited laboratories Quality and certification dairy and feed; promotion of investment projects with foreign investment that provide for the production and marketing of high-quality, certified organic and balanced agricultural others.

Measures for investments of agricultural production during the military events will not be fully successful without a developed and high-quality road network in rural areas. Now the state of these roads is extremely poor and hinders the processes of social and economic development.

In terms of military events of regional importance road, roads streets of villages and farm roads destroyed.

The scale of the problem of roads in rural areas is extremely high. Thus, the required length of construction it exceeds 200 thousand km, and the timing solution with due respect to several decades. Similar problems are facing many countries. Some of them are able to successfully solve the problem of roads, identifying its most important in the country. For example, the State of Israel and Canada, which at one time were in a state of military events or threats of annexation of the territory, began building roads in unpopulated areas, successfully solved other social and economic and defense issues. Ukraine is vital to begin to solve this problem despite a massive military threat.

These measures and proposals of the author are not exhaustive. Their implementation is possible in the medium or in the long term. By implementing these measures should proceed despite the current military events, active phase which the logic of these social processes will continue for 3-4 years. These investment measures should be one of the most important components of the program of development of agriculture of Ukraine till 2020, which is now actively working with the Ministry of Agrarian Policy and Food of Ukraine and held public discussion [21]. In connection with this it is advisable to clarify the structure of this program, providing it appropriate investment unit.

Conclusions. 1. Development of agriculture is only possible on the basis of investment. In terms of military events this sector plays a role of stabilizer of the economy and an essential factor in the survival of the population and prevents hunger. You must stop the decline in the investment sector, which began in 2014. 2. Along with military measures should ensure effective measures to stimulate investment in agriculture, which will increase the level of food security. 3. In implementing the investment policy in agriculture in war should provide support for investment projects in the priority of directions to prefer relatively less capital intensive, carried small agribusiness cooperative formations, as well as to attract foreign investment and associated international integration of national agricultural producers. 4. Investment activities have become one of the most important components of the program of development of agriculture of Ukraine till 2020.

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Л.Д. ТУЛУШ, кандидат економічних наук,
старший науковий співробітник,
завідувач відділу податково-бюджетної політики
Національний науковий центр «Інститут аграрної економіки»

Режим ПДВ-акумуляції як інструмент фіскального стимулювання розвитку агропромислового виробництва

©**Постановка проблеми.** Сталий розвиток аграрного сектору економіки залежить від низки факторів, вплив яких повинен бути збалансованим і скоординованим. Дія ринкових механізмів в аграрній сфері економіки має свою специфіку, яка зумовлює необхідність активного втручання держави в економічні процеси, що відбуваються у галузі. Останнє, передусім, передбачає надання державної фінансової підтримки тим суб'єктам, діяльність яких відповідає державним пріоритетам розвитку аграрного сектору економіки.

Враховуючи економічні, соціальні, природні та етнокультурні чинники, більшість розвинутих країн здійснюють протекціоні-