BASIC APPROACHES TO THE ASSESSMENT OF STATE SUPPORT OF THE AGRARIAN SECTOR

Yulia Abraham,
Ph.D., Associate Professor
Sumy National Agrarian University, Sumy, Ukraine

To assess the agrarian sector to new economic conditions, research on the evaluation of the results of state support plays an important role. There are a number of issues that are assessed across the various agrarian sectors, which are openly collected tools, methods and methods of regulatory regulation that know they have developed. They mentioned that it is necessary to pay attention to the research of modern units that meet the requirements of the agricultural sector of the economy. Agriculture uses very weak competition when it comes to nature – climate conditions, as well as differences from work.

Studies of the issues considered in the evaluation of excellence are highlighted in Komarova, I.V.*, Ambrosov, V.Y., Varchenko, O.M., Ostashko, T.O., Borodina, O.M., Heets, V.M. and others.

The protest unjustifiably resolves the issue of making sure that it was presented in all cases.

The research methodology is conducted in the analytical methods used and investigated.

A number of economic factors and the worldwide industry are seeking to see that most business enterprises use special data that is not used but is not a self-regulatory system that is known beforehand and is actively supported.

According to the results of the work, it may have been suggested to entrust various branches of agricultural enterprises, namely the budgetary ministry, as well as a large number of enterprises represented in the agricultural sector to the respective economy. But, using the current state of the economy in its world, it can be reinforced that it has to perform in the economy of the agro-industrial sector without maintaining competitiveness, and so far, there is the greatest number of economic results, and they do not need to exist for a crisis. So today, the question of the efficiency of agricultural producers, who offer their price, is an acute issue.

The total amount of agricultural policy in the national budget cannot be a significant feature of the sector concerned. In their practical experience, users are allowed to assess the level of regulation of the farm and the efficiency of the farmers. Currently, two methods have been used to reach the domestic agricultural sector of the country – the Organization for Economic Cooperation and Development (OECD) (well-known assessment and placement of national agricultural structures) and trade awareness (concerning control over the relevant WTO member countries) issues) uniform, which "creates" trade. The OECD has evaluated the effectiveness of the work in terms of recipients (producer, consumer or sector as a whole), and the WTO is a classification of internal space for "consumed" production and traded and maybe in

modern jobs, and this should be borne in mind that it is necessary to consider the inefficient use of resources and those that are not used in production and trade.

According to this criterion, all state support measures are conditionally divided into boxes: green, blue, yellow and red. The "green box" is supported by internal development that does not use agricultural production and trade, but also uses an undue ministry (funds for production of infrastructure, harvesting, environmental protection, research). Measures of the "blue box" are also not subject to reduction. These include programs that reduce agricultural output (up to 85% of the level) and check for fixed agricultural land or approvals themselves. The "yellow box" measures are the subject of budget cuts. These include: subsidies for the production of used animals, breeding production, elite production, compound feeds, compensation for people working on mineral fertilizers that exist and are used on energy resources, price support: compensation and procurement exists in the market target for agricultural production; own production of goods and services with lower market prices; purchase in production facilities (services) at market-creating prices; concessional lending to farmworkers for this budget; debt relief; benefits for transportation of agricultural products; actually leasing material. The maximum allowable level of growth is fulfilled as the average annual amount of actual actions at the Yellow Box events that took place in different cities. Minimum allowable support, which minimizes 5% of agricultural diversity for developing countries and 10% for developing countries [1]. To the "red box" significantly shift from export use. The WTO prohibits export subsidies, subject to those fixed in the review, which is country-related.

There are some series that take into account the real assessment of the level of regulation in the agrarian sector of the economy [1]. In that regard, it was the company that worked in the agrarian sector of the non-working economy. Note that the actual results were evaluated in principle, and this was done from them [2].

The first indicator is the equivalent of producer subsidy (ERU), which characterizes the magnitude of transfers from consumers of products and taxpayers to farmers. This indicator is in use and has divided total transmission by the gross profit-makers. This figure is found in the US.

The second indicator is the Aggregate Support Amount (ASA). This indicator is mainly used in the calculations of the WTO [3].

This indicator can be positive and negative. If the indicator is positive, the state pays direct or hidden subsidies to producers; if the indicator is negative, then producers are net taxpayers, or their financial condition is deteriorating as a result of government programs.

The estimate of the direct budgetary representative of agricultural producers can be used to use the calculated NAC producers (Nominal Assistance Coefficient). This indicator reflects the ratio of consumption of agricultural products at domestic prices to the volume of consumption at reference prices; the budget efficiency index, which is determined by dividing the amount of discounted budget cash flows by the amount of government support at the expense of budgetary funds.

Productive agricultural productivity is increasing at the level of the result but profitability. Mathematical statistics were used to show the effectiveness of use, using the method of correlation-regression research, which could estimate the factors that exist among others and may have been insufficient. However, the use of mathematical models to evaluate the effectiveness of state agricultural policy does not allow to obtain reliable results, since there is a simplification of economic relations, and therefore it is not appropriate to use this method.

It should be noted that there is a system of indicators for assessing state support for agriculture by the Organization for Economic Co-operation and Development (OECD). This system is in place to evaluate and analyze the implemented agricultural support policy. This system of state support evaluation exists in more than 40 countries and contains the results of the development and implementation of state support policy over more than 20 years. This metric also applies to non-OECD countries, such as Ukraine, Russia, Brazil, China, Chile and South Africa. The OECD units are used to study the manufacturing units. According to this methodology, there are indicators of agricultural support estimates based on the correlation between the world and domestic prices for agricultural products (consumer support indicators; producer support indicators; estimates of overall support for agriculture [4]).

The advantages of this methodology are that the indicators used to provide a quantitative assessment of the policies, and the relative indicators used to allow us to compare the policies of different countries.

The OECD annually publishes indicators for assessing the level of state support for agriculture for its member countries as well as for non-member countries.

Concerning the assessment of state support for agriculture in the WTO, this assessment aims to determine how domestic government policy changes the conditions for trade in agricultural and food products in the world market.

We use these methods to propose that you are represented by:

- those that apply world trade ("yellow box" measures);
- those not used in their trade (green box measures).

The activities of the "green box" include: state research programs; provision of infrastructure creation and maintenance services; marketing services and measures to promote the product to the market; teaching; consulting services; programs for the elimination of diseases and pests; compensation for damage caused by natural disaster; payments for environmental programs, etc.

Measures of "yellow basket" include reimbursement of interest on credit rates, reimbursement of the cost of purchased agricultural machinery, hectare payments, subsidies per 1 kg of live weight and more.

It should be noted that the yellow box support measures are estimated based on the calculation of the aggregate (aggregate) measurement of support (SVP or AMS)". This indicator reflects the annual level of support for specific agricultural products, or non-specific support for agricultural products only, expressed in monetary terms. This indicator does not take into account the amount of government support allocated to programs that are exempt from the obligation to reduce support.

Factors that take into account the most up-to-date demonstration: market prices that are viewed as products of various cynical manufacturers and are noted and valued; direct payments should be made to producers for the production of different agricultural entities that develop on a body that originates from different enterprises, and those that are not delayed and can develop on a budgetary basis; subsidies paid to producers that do not fall out of those people who are drafted and selected on the basis of budgets that should be [5].

Also in the framework of the World Trade Organization (WTO) apply the "blue box". These measures are aimed at avoiding overproduction through the use of fixed agricultural land, fixed livestock, for which there are no restrictions on public funding.

The added AMS figures do not include and do not require a reduction in the number of agricultural enterprises, but this item is within 5% of the publicly available basic agricultural enterprise and is in its service and is not specified for a specific type of commodity and is not. Greater, lower than 5% of probable agriculture [6].

About the agriculture of Ukraine, according to the WTO agreement, the total amount of its state support (AMS), which contains separate support programs from the "yellow basket", should not exceed 3 billion 43 million UAH.

Also, Ukraine may additionally spend up to 5% of its annual gross agricultural production annually on Yellow Basket support programs [7].

It should be noted that the OECD and the WTO when evaluating different sectors of the economy are separate, and those that exist in different regions have special features of activity.

The OECD annually monitors the agricultural policy of not only the member states of the organization but also of rapidly developing economies. Considering that the global market is congress and its main macroeconomic parameters are underperforming and utilizing the agricultural sector, we are seeking to explore the emerging trends of both members of the organization and the emerging industry.

Aggregate support for agriculture in Ukraine and Russia as developing economies and the EU and US as economically developed countries was selected for analysis.

Government support for an economy in Ukraine may be characterized by unfamiliar circumstances. Direct government support offered these animals, however, in a small amount of 50 million UAH per year.

In 2016, transitional works were introduced to keep farms produced by the special VAT alloy regime. It is said that in their production takes 15% - for operations with cereals and industrial crops, 80% - for operations with the production of farm animals, 50% - for those engaged in sectoral operations, and from January 1, 2018, to be resolved the question of the adoption of this transitional norm.

If we compare the volume of state support of Ukraine with other European countries, we can state a high level of state support in agriculture, which has a corresponding impact on improving the level of competitiveness of agar products in European countries.

In the EU, there is a single agricultural policy, with the support of the agricultural sector in 2013-2018 amounting to about 60 billion euros annually, which is almost 525 euros/ha (20% of gross agricultural production) [12].

The level of state support for the agricultural sector varies depending on the country, for example, in Belgium and the Netherlands – about 500 euros / ha, Poland – 345 euros / ha, in Ukraine this figure is in the range of 10-20 euros/ha (this figure is given taking into account the funds that were within the scope of the special VAT regime) [12].

The low level of government support for Ukraine's agrarian sector compared to other countries is evidenced by the OECD-led PSE (Producer Support Estimate). In the EU, 21% of gross agricultural production is reimbursed by the state through various state support programs for the industry, Turkey – 23%, the Russian Federation – 12%, Canada – 11%, the USA – 7%, in Ukraine – within 1-1,5% [12].

To implement an effective state agricultural support policy, a quantitative assessment of its impact on agricultural producers should be carried out.

Analyzing the different methods of assessing the effectiveness of state support for agricultural producers, we can say that there are many today. These methods are used in economic experiments, and they are often discussed between academics and practitioners who perform and lack various methods. This situation is standard for modern science, which is based on the principles of methodological pluralism.

When choosing a specific method of assessing the agricultural policy of the state, it is necessary to take into account as many as possible various aspects, in particular, the purpose of such assessment. The most common and widely used methods are generic methods, especially those used by the WTO and the OECD. The universal indicators for determining the effectiveness of a state agricultural support policy are PSE, CSE and TSE. Also, these indicators do not take into account not the number of funds directly allocated by the state for the needs of the agricultural sector, but also the funds in the form of indirect intervention in the development of the industry. The main advantage of this technique is that it can be used at the regional level.

The experience of advanced countries should be used in the formation of the national model of state support for the agricultural sector of the economy. This model should solve the problematic issues of development of domestic agricultural production. This is primarily an unbalanced structure of agricultural production (where the share of the crop sector is more than 70%), and the production of livestock products does not meet the internal needs of the market. Another important problem in the agricultural sector is the irrational use of land resources, which leads to a decrease in soil fertility.

Another important problem in the agricultural sector is the irrational use of land resources, which leads to a decrease in soil fertility.

Analyzing the level of support for the agricultural sector of the country, one can say that a significant share of the gross value added of agriculture in the economy, although the share of industry support in the gross value added of agriculture is negligible.

In our country, there is an imperfect mechanism of support for agricultural producers, who receive most of the money due to the excess of domestic purchase prices over the world for similar products. In Ukraine, an increase in agricultural output is far behind the GDP growth rate, and the support provided to producers does not contribute to an increase in agricultural output in the economy as a whole.

At present, there is no single methodology for assessing the effectiveness of state support for agriculture. Research on the effectiveness of state support for agriculture has made it possible to establish that for each approach it is necessary to find the optimal system of criteria and factors, what are the prospects for further research.

REFERENCES

1. Latinin, M.A. (2006). *Agrarnij ector ekonomiki Ukrayini: mehanizm derzhavnogo regulyuvannya [Agrarian sector of Ukrainian economy: mechanism of state regulation]* Kharkiv: Harry NADU Master [in Ukrainian].
2. Ovchinnikov, O.G. (1999) Gosudarstvennoe regulirovanie agrarnogo sektora SshA [State regulation of the US agricultural sector] Moscow: DeLi [in Ukrainian].
3. Ambrosov, V.Y. (2009) Zabezpechennya derzhavnoyi pidtrimki silskogospodarskogo virobnictva v umovah chlenstva Ukrayini v SOT [Provision of state support for agricultural production in the context of Ukraine's WTO membership]. *Economics of agro-industrial complex* – 2, 15-24 [in Ukrainian].
4. Varchenko, O.M. (2011) Zarubizhnij dosvid derzhavnoyi pidtrimki silskogospodarskogo virobnictva ta napryami jogo vikoristannya u vitchiznyanij praktici [Foreign experience of state support of agricultural production and directions of its use in domestic practice]. *AIC economy and management* – 5(85), 11-16 [in Ukrainian].
5. Komarova, I.V. *(2010) Ocinka derzhavnoyi pidtrimki agarnogo sektoru Ukrayini v konteksti svitovogo dosvidu* [Assessment of state support for Ukraine's agar sector in the context of world experience]. *Finance of Ukraine* – 7, 65-75 [in Ukrainian].
6. Ostashko, T.O. (2005). Silske hospodarstvo v umovakh SOT I YeS [Agricultural industry under WTO and EU conditions]. Kyiv: Instytut silskoho rozvytku [in Ukrainian]. 2. Mohilny, O.M. (2005). Rehuliuvannia ahrarnoi sfery [Regulation of agrarian sphere]. Uzhgorod: IVA [in Ukrainian].
7. Paskhaver, B.Y., Shubravska, O.V., & Moldavaninov, L.V. (2009). Vyklyky I shliakhy ahroprodovolchoho rozvytku [Challenges and ways of agricultural-food development]. B.Y. Paskhaver (Eds). Kyiv: NAN Ukrainy, In-t ekon. I prohnozuv [in Ukrainian].
8. Burakovskii, I., & Movchan, V. (2011). Otsinka potreb Ukrainy v haluzi spryiannia mizhnarodnii torhivli: vplyv torhovelnoi polityky na liudskyi rozvytok [Assessment of needs of Ukraine in the area of contribution to international trade: influence of commercial policy on human development]. Kyiv: Analitychno-doradchyi tsentr Blakytnoii strichky [in Ukrainian].
9. Uzun V.Ya. (2012). Rossiiskaia politika podderzhki selskogo khoziaistva I neobhodimost yeio korrektirovki posle vstupleniia v WTO [Russian policy of support of agricultural industry and necessity of its adjustment after joining the World Trade Organization]. Voprosy ekonomiki – Economy Issues] 10, 132-149 [in Russian].

10. OECD Database (1986-2010). Producer and Consumer Support Estimates (1986-2010). Oecd.org. Retrieved from: http://stats.oecd.org/Index.aspx?DataSetCode=M ON2012TSE_EE [in English].

11. Borodina, O.M., Heets, V.M., & Prokopa, I.V. (2012). Ukrainska model ahrarnoho rozvytku ta yii sotsio-ekonomichna pereoriientatsiia [Ukrainian model of agrarian development and its social-economic reorientation]. Nauk. Dop. – Scientific Report. NAN Ukraiiny, I-tut ekon. Ta prohnozuv [in Ukrainian].

12. Zhalilo, Ya.A. (Eds.). Rozvytok ahrarnoho vyrobnytstva yak peredumova zabezpechennia prodovolchoii bezpeky Ukrainy [Development of agrarian production as a precondition of ensuring of food safety of Ukraine]. Analitychna dopovid – Analitical Report. Kyiv: NISD [in Ukrainian].