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**The main scientific interests of the author: marketing, economics, intangible assets, objects of intellectual property rights**

## **PROBLEMS AND WAYS OF IMPROVEMENT OF UKRAINE AGRICULTURAL SECTOR OF ECONOMY STATE REGULATION**

In the article the author carried out a study of existing definitions of the state regulation of the agrarian sector of Ukrainian economy. Main problems of its regulation are also viewed. Further directions of its improvement are formed. Ways out of situation are proposed.

**Key words: state regulation of economy, agrarian sector, competitive positions, agricultural products, risks, logistics, technology, market infrastructure, capital**

**Fig. 5. Lit. 10**

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## **ПРОБЛЕМИ ТА ШЛЯХИ УДОСКОНАЛЕННЯ ДЕРЖАВНОГО РЕГУЛЮВАННЯ АГРАРНОГО СЕКТОРУ ЕКОНОМІКИ УКРАЇНИ**

У статті проведено дослідження існуючих визначень державного регулювання аграрного сектора економіки України. Також розглядаються основні проблеми його регулювання. Сформовано подальші напрямки його вдосконалення. Окреслено шляхи виходу із ситуації.

**Ключові слова: державне регулювання економіки, аграрний сектор, конкурентні позиції, сільськогосподарська продукція, ризики, логістика, технологія, ринкова інфраструктура, капітал**

**Рис. 5. Літ. 10**

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## **ПРОБЛЕМЫ И ПУТИ УСОВЕРШЕНСТВОВАНИЯ ГОСУДАРСТВЕННОГО РЕГУЛИРОВАНИЯ АГРАРНОГО СЕКТОРА ЭКОНОМИКИ УКРАИНЫ**

В статье проведен анализ существующих определений государственного регулирования аграрного сектора экономики Украины. Также рассмотрены основные проблемы его регулирования. Сформированы дальнейшие направления его усовершенствования. Очерчены пути выхода из ситуации.

**Ключевые слова:** государственное регулирование экономики, аграрный сектор, конкурентные позиции, сельскохозяйственная продукция, риски, логистика, технология, рыночная инфраструктура, капитал

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**Formulation of the problem in general.** The state of affairs of Ukraine agrarian sector of the economy regulation is a special theme of the subject of life. The successful implementation of the Ukrainian agrarian sector, for the sake of its competitiveness, is put onto government which carries out a reform in the branch and creates conditions for effective development of goods and services production. The current need to do this is the problem of state regulation of the agrarian sector of economics and proposals of further directions of its development.

**Analysis of recent research and publications.** This issue was actively investigated by many scientists. In particular, it is worth noting the works of Babenko A.G. [1], Bug N.U. [2], Dibrova A. D. [3], Mishchenko N.M. [5], Mogilny O. M. [6], Stelmashchuk A.M. [8], Tretyak G.S. [9], Ushakova N.G. [10], and others.

**Unresolved issues.** The issues of further improvement of methods and approaches to state regulation of the agrarian sector of Ukrainian economy remain unsolved.

**The purpose of the study.** The purpose of the study is to analyze existing problems of state regulation of the agrarian sector of Ukraine's economy and make proposals for its further improvement.

In the process of research the following objectives were set:

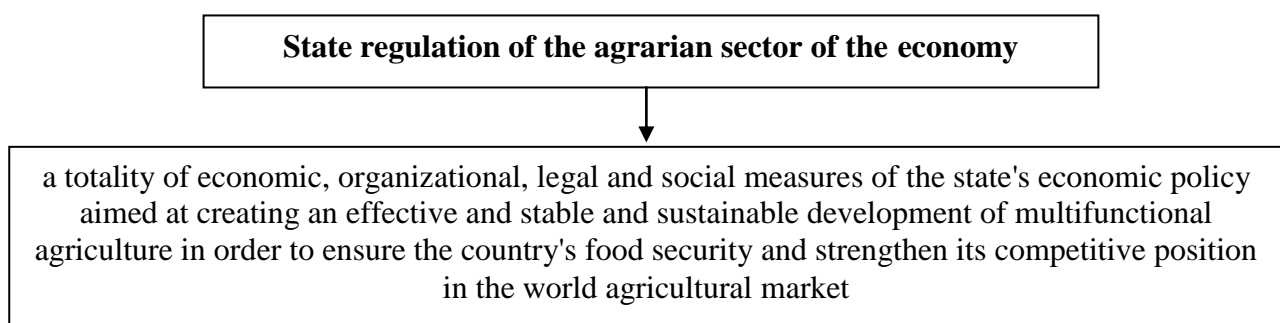
- to find out the essence of the definition of state regulation of the agrarian sector of the economy;
- to identify the main problems of state regulation of the agrarian sector of Ukraine's economy;
- to propose ways to improve the state regulation of the agrarian sector of Ukraine's economy.

**Main results of the study.** State regulation of the agrarian sector of the economy is a process of influence on its development with the creation at the expense of this possibility of economic entities to make profitable activities, to improve their competitive positions [3].

The state regulation of the agrarian sector represents the system of economic, financial, legal, organizational and social measures implemented by the state for the effective and stable development of agrarian production and the full provision of food products quality at affordable market prices [1].

State regulation of the agrarian sector of the economy is a system of measures of influence in order to create optimal conditions for its development.

In our opinion, state regulation of the agrarian sector of the economy can be formulated as follows (Fig. 1).



**Fig. 1. The essence of state regulation of the agrarian sector of the economy**

**[Proposed by the author]**

According to the Concept of the State Target Program for the Development of the Agricultural Sector for the period up to 2020, the agrarian sector of Ukraine, the basic component of which is agriculture, forms food and within certain limits economic,

ecological and energy security, ensures the development of technologically related branches of the national economy and creates socially-economic conditions of rural development.

The agro-industrial complex provides about 9-13% of the gross value added of the country, is one of the main budget-forming sectors of the national economy, the share of which in the consolidated budget of Ukraine in the recent years is an average of 20%, and in the commodity structure of exports — more than a quarter, providing the first place on the world market of sunflower oil, the second place — on the export of grain. However, almost half of the gross agricultural output is produced today at households. In the period from 2008 to 2018, agricultural production increased by 50%, including in agricultural enterprises by 90%.

The peculiarity of agricultural production is the availability of territories, which are constantly affected by dangerous natural phenomena, resulting in agrarians suffering on significant material damage. Loss of yield in individual farms can reach up to 50%, and when combined with several adverse factors — up to 70%.

Competitive positions of domestic agricultural products in foreign markets are not stable due to incomplete adaptation processes to European requirements regarding the quality and safety of food products, significant fluctuations in prices on the world market, the volatility of trade relations with importing countries. The slow pace of technical and technological upgrading of manufacture, the increasing level of obsolescence of techniques, the use of outdated technologies prevails, the cost of non-renewable natural resources increases, the dependence of manufacture on climatic conditions, limited access to financial resources increases. The seasonal nature of agricultural production makes it necessary to attract borrowed funds in large volumes (over UAH 100 billion a year) [4].

According to the Decree of the Cabinet of Ministers of Ukraine dated from October 17, 2013 No. 806-r "On Approval of the Strategy for the Development of the Agricultural Sector of the Economy for the First Period up to 2020", Ukraine faces the following problems in the agrarian sector (ACE) (Figure 2) [7].

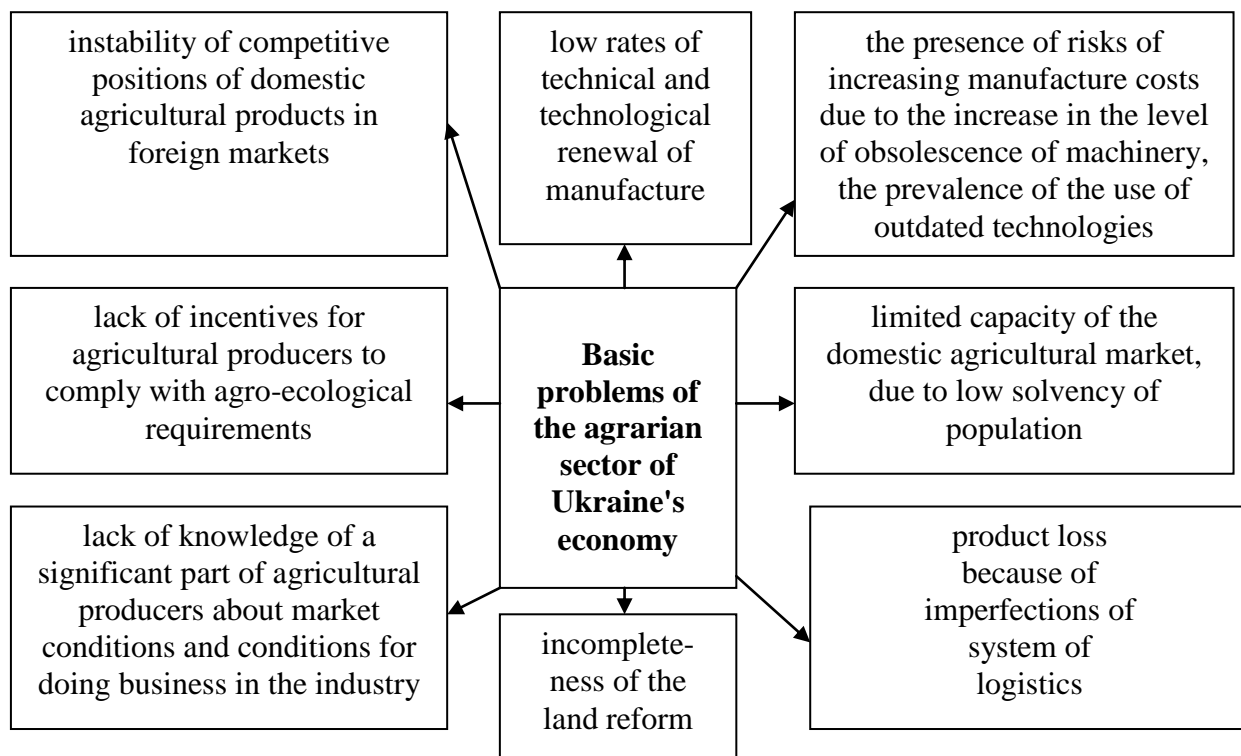


Fig. 2. The main problems of the agrarian sector of Ukraine's economy [7]

Steps to develop the competition mechanism are proposed (Figure 3).

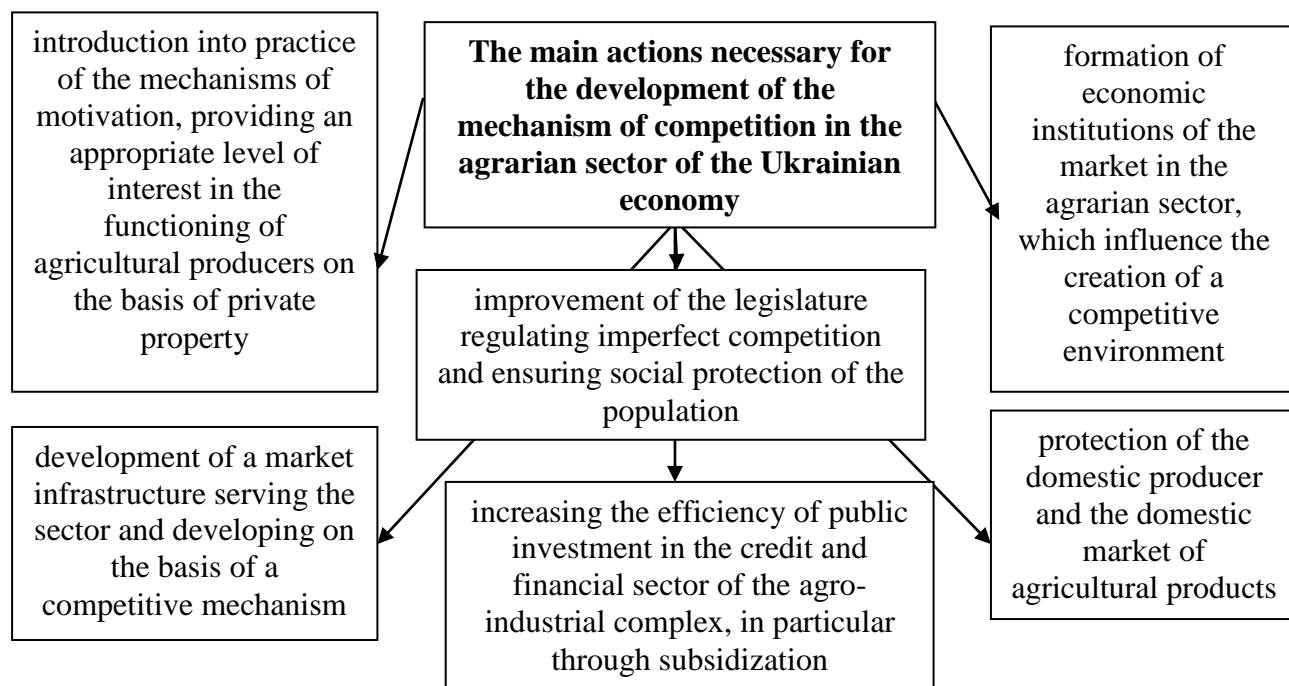
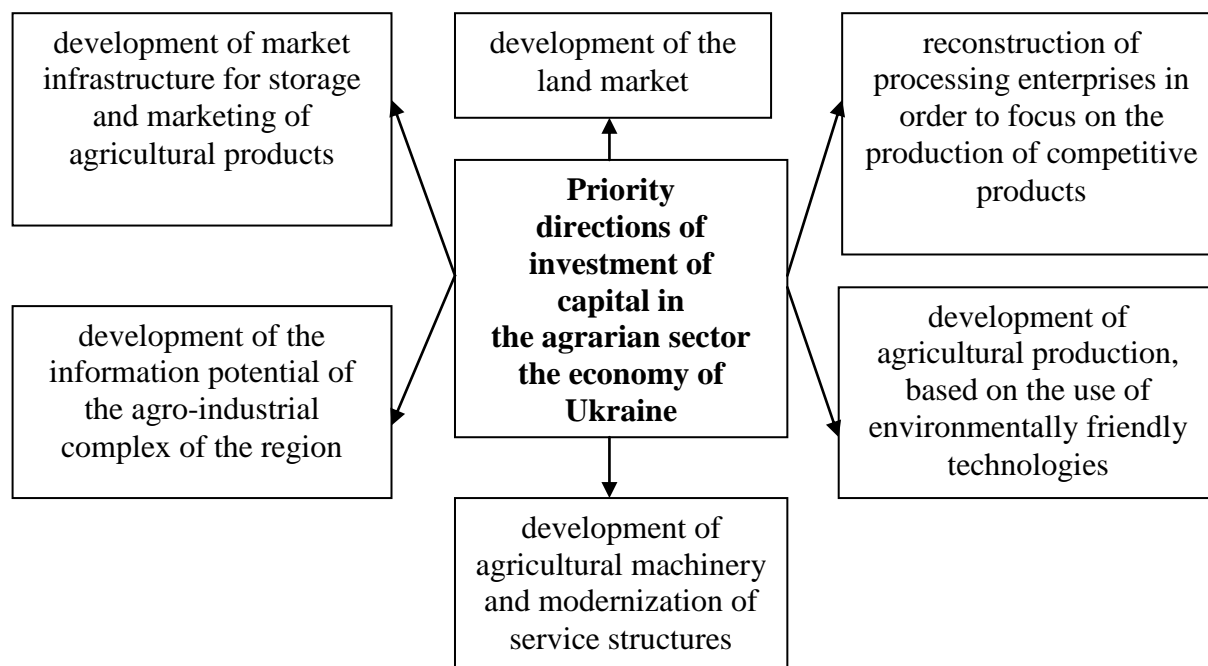


Fig. 3. Key actions required for the development of the mechanism of competition in the agrarian sector of Ukrainian economy [Proposed by author]



**Fig. 4. Priority directions of capital investment in the agrarian sector of Ukraine's economy [Proposed by author]**

In the context of a reduction in investment in agriculture and a slowdown in this regard, the updating of the material and technical base is relevant to improving the efficiency of the use and reproduction of existing production assets. In view of this, it is considered appropriate to exclude from the cycle of reproduction of fixed assets the phase of capital and current repairs and include a phase such as improvement of fixed assets (upgrading, modification, completion, refinement, reconstruction, etc.) [1].

It is advisable to carry out an examination of machine complexes directly at farms. On the basis of the examination, firstly, it is necessary to identify equipment that is not used at all in the production, or its use is inappropriate due to significant operating costs, and it needs to be replaced. Secondly, to use in the manufacture universal mobile aggregates instead of several specialized, which significantly reduce both the material costs and labor costs for several times [5].

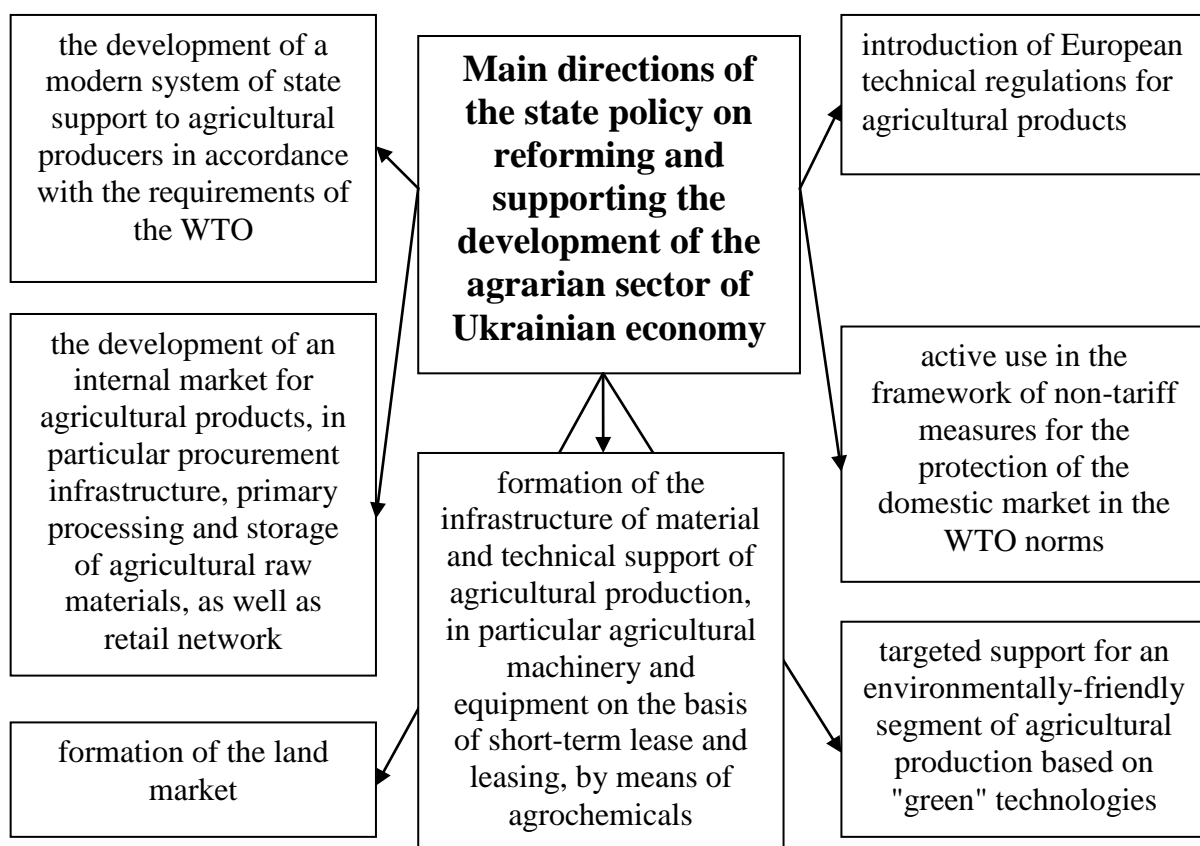
Improvement of tax regulation in the agro-industrial complex should include: reduction of the VAT rate on the resources allocated to agricultural production;

application of privileges for enterprises investing capital in the development of agriculture, food industry, social infrastructure of the village [1].

Among the main areas of state policy for the development of agricultural enterprises, it is appropriate to identify two categories: macroeconomic and microeconomic one. So, the macroeconomic should include the provision of stable rates of development of agricultural production; ensuring food security of the country, forming its export potential; reducing the level of labor migration and unemployment in the countryside.

Among the microeconomic goals are: support for high profitability and competitiveness of agrarian enterprises; preventing their bankruptcy.

The main directions of the state policy on reforming and supporting the development of the agrarian sector of Ukrainian economy should be as follows (Figure 5).



**Fig. 5. Main directions of the state policy on reforming and supporting the development of the agrarian sector of Ukrainian economy [Proposed by author]**

Implementation of these directions will increase the efficiency of the agrarian sector of Ukraine's economy.

**Conclusions.** The conducted research allows to formulate such conclusions. State regulation of the agrarian sector of the economy is a set of economic, organizational, legal and social measures of the state's economic policy aimed at creating an effective and sustainable development of multifunctional agriculture in order to ensure the country's food security and to strengthen its competitive position in the global agricultural market.

In Ukraine, there are the following problems in the agrarian sector of the economy: the exhaustion of the “chernozems” (black lands) and the reduction of the fertility of the land; low level of investment in the development of the agrarian sector, growth of dependence on state investments; land ownership issues; imperfect regulatory framework; lack of scientifically grounded economic reforms; growth of volumes of imported products, vulnerability of domestic commodity producers; lack of necessary level of state support and stimulation of innovation and investment attractiveness.

The main directions of state regulation of the agrarian sector of the economy are: ensuring the food security of the state; regulation of land relations; improvement of financial support; providing a stable system of state support to the agrarian sector; implementation of financial and credit policy; improvement of regulatory policy in the agrarian sector; improvement of technical regulation; market regulation; ensuring the competitiveness of domestic agricultural products; scientific support of innovative development.

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