

Contemporary state of branch of plant growing in Ukraine

Salo I.¹, Popova O.²

Ukrainian Institute for Plant Variety Examination, 15 General Rodymtsev Str., Kyiv, Ukraine; e-mail: ¹inna_salo@ukr.net, ²nasheco@ukr.net*

The purpose. To study basic trends of development of branch of plant growing and state-of-the-art of security of population with main products of feed. **Methods.** Monographic, analytical generalizations, balance, statistical comparison, mechanically-calculated, graphical, etc. **Results.** It is established that Vinnytsia, Poltava and Kyiv areas became the leaders in production of plant growing in 2018 in Ukraine. Agricultural factories manufacture 62,8% of products. The most negative dynamics on indexes of production is observed for sugar beet, fruit and berry crops. Low level of incomes of population is one of principal causes of irrational feed. Presence of inflationary-devaluation processes, moderate rise in prices on products of plant growing without significant oscillations and stability of demand are observed. The largest partners in trade among the EU countries are Germany, Poland, Italy, the Netherlands, Hungary. Cereal crops, seeds and fruits of oil plants, edible fruits and walnuts occupy TOP-3 in export of products of plant growing to the EU countries — 3,5 billion hrn (95,7%). **Conclusions.** Sunflower, fruit and berry may be outlined among other crops on indexes of production, consumption, sale. Ukraine is the world leader on total yields of sunflower. Dynamical growth of all indexes of its production is observed. Because of high capital intensity of population fruit growing is characterized by the most unsatisfactory level of production and consumption. Ukraine quickly moves in direction to European market. That is proved by growth of export deliveries (on 22% in 2018 as compared to 2017) . The state in 2019 has increased financial support of agrarian and industrial complex, however, the mechanism of financing agricultural factories with the purpose to avoid monopolization of distribution of means demands development.

Key words: *production, consumption, classes of equipments, prices, export trade, financing.*

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The branch of agriculture, crop production has all the prerequisites for expansion and effective development in Ukraine, given the availability of land agricultural land and high fertility of soils. However, this requires significant investment support. In Ukraine, 1 ha of arable land has an investment support of 42 dollars, while in other countries it is at times higher, for example, in Poland – 101 dollars, Belarus – 236, Russia – 64 dollars [1, p. 13]. The difficult political and economic situation in a country essentially in a state of war (2014-2018 y.) negatively affects the development of the agrarian sector, the domestic and foreign food markets. The branch of plant growing is the source of the supply of processing enterprises with raw materials, branches of livestock feed. Its development is a locomotive for the effective functioning of the food market and foreign trade of Ukraine. Given this, the study of industry trends in modern realities in the context of internal and external challenges is very important.

Analysis of recent research and publications. In the process of the emergence of a market economy in Ukraine, the great attention paid to the decision of issues of agro-industrial development, in particular the field of plant growing, was given to O. Bodnar, Y. Voskobianik, V. Zhuk, O. Zakharchuk, Y. Lupenko, M. Malik, M. Pugachev, P. Sabluk, O. Shpikulak, O. Shpichak and others. Their attention was concentrated in general on solving the problems of industry development, improvement of agricultural crop yields, investment support for their cultivation etc. [1, 2, 11]. Our research will focus on the main indicators of the development of the crop sector in modern realities and in more detail in the field of horticulture, as the most capital-intensive, the effectiveness of which depends on the provision of dietary vitamins for the year.

The purpose. Explore the main trends in the development of the crop industry and the current state of the population's supply of basic food. After all, there are a number of unresolved issues for the effective functioning of the domestic agrarian market.

Methods. Methodological approaches to determining the capacity of the domestic consumer market for agricultural products and foodstuffs were the basis for the study [2]. The basis of research was the dialectical method of knowledge of market processes and a systematic approach to the study of problems that arise during the production and movement of crop production from the producer to the consumer.

Results. Among the regions of Ukraine, in the 2018 year, the Vinnytsya region was among the top three producers of crop production – the value was 10.6 bln UAH, Poltava (9.7), and Kyiv (8.0). By the level of production of fruits and berries, Vinnitsa, Chernivetska, Khmelnytska, Zakarpattia and Poltava regions had advantages. Total gross collection amounted to 1116.8 ths t, which is almost 45 % of their total production in the country. It should be noted that for the investment activity and efficiency of agriculture, the highest rating from the regions of Ukraine is Vinnitsa, Kyiv and Cherkasy regions [1, p. 14].

The main producers of crop production are agricultural enterprises – 62.8 %. Since 1996 y., the level of profitability of crop production was within the range of 7.9-41.7 % (except 1998 y.), when they received a loss-making rate of 3.3 %. That is, the average profitability level was less than 30 %. Then, according to scientists, successful economic activity of agricultural enterprises can be considered only with a profitability level of at least 35-40 % [3].

It should be noted that households as a form of management occupy an important place in the agrarian economy of Ukraine. Due to more efficient use of land by farms, the share of them in the total area of agricultural crops in 2018 y. amounted to 8.3 mln ha, which is 30.1 %. Due to the subsidiary economy, a significant number of families, mainly due to low purchasing power, provide themselves with foodstuffs to the extent necessary, and the remainder is sold. They have long been the main producers of various types of crop products, including potatoes, vegetables, fruits, berries, etc. So, in 2018 y., farms produced 77.9 % of fruits and 89.0 % of berries.

These households, as a rule, operate on the principle of self-financing and without significant capital investments. They are less dependent on the rising cost of energy resources and other logistical resources due to the preference of manual labor, which is not taken into account in determining the feasibility and effectiveness of their economic activity. The realization of agricultural products provides the population with a certain additional income, which is very important at low purchasing power [4, 5].

Products grown by households in the European market are considered uncompetitive because they do not meet established standards. However, regardless of this, these producers occupy their niche in the domestic market and significantly affect the formation of demand, supply and price situation. Each individual subsidiary has a small amount of products for sale, and therefore can realize it quickly and at higher prices. In addition, the psychological factor is triggered – consumers generally believe that the population's production is organic, in particular fruits, berries, vegetables, and, consequently, cannot be harmful to health; therefore, they are willing to buy products at sometimes much higher prices.

If we take 1990 y. as the basis for comparison, we should note the negative dynamics of individual indicators of production of main crops (table 1).

The largest crop area fell under sugar beet – 5.8 times, and the total area under fruit and berry crops – was 3.7. In addition, we note a significant increase in yields under these crops – respectively 1.8 and 3 times. This indicates, in addition to the impact of favorable natural and climatic conditions, on the intensification of production and the introduction of new technologies in the sugar industry. While in the gardening, this level of productivity was achieved practically at the expense of households by 2017 y. Due to favorable natural and climatic conditions, in 2018 y. it was marked by a record gross collection of apples in all categories of farms – 1.5 mln t, which is 1.4 times more for the previous year. Their yield increased to 16.0 t/ha, which is 35.7 % more than in 2017 y. (16.6 % were in the farms and 15.0 t/ha in agricultural enterprises). It should be noted that the European market in 2018 y. also marked a significant apple crop. Thus, German farmers were forced to give free fruit to all those who wished, provided that they would collect them on their own [7, 8].

1. Indicators of production of major crops

Years	Cereals and legumes	Sugar beets	Sunflower	Potatoes	Vegetables	Fruit and berries
Squares, ths ha						
1990	14583	1607	1636	1429	456	851
2000	13646	856	2943	1629	538	425
2010	15090	501	4572	1408	462	255
2015	14739	237	5105	1291	440	235
2018 y.	14839	276	6117	1319	439	228
2018 y. in % until 1990	101,8	17,2	373,9	92,3	96,3	26,8
Production, ths/t						
1990	51009	44264	2571	16732	6666	2902
2000	24459	13199	3457	19838	5821	1453
2010	39271	13749	6772	18705	8122	1747
2015	60126	10331	11181	20839	9214	2153
2018 y.	70057	13968	14165	22504	9440	2571
2018 y. in % until 1990	137,3	31,6	551,0	134,5	141,6	88,6
Yield, t from 1 ha						
1990	3,5	27,6	1,6	11,7	14,9	4,3
2000	1,9	17,7	1,2	12,2	11,2	3,8
2010	2,7	27,9	1,5	13,2	17,4	7,8
2015	4,1	43,6	2,2	16,1	20,6	10,5
2018 y.	4,7	50,9	2,3	17,1	21,4	12,8
2018 y. in % until 1990	134,3	184,4	143,8	146,2	143,6	297,7

Source: [6].

Separate attention deserves a sunflower culture. Ukraine is on the first place in the world among sunflower and sunflower oil producers. Due to an increase in the area of 3.7 times and a yield of 1.4, its production increased by 5.5 times to 14.2 mln t. Such a significant attention of producers to this culture is due to rather high demand for raw materials, processing products not only on the domestic market, but also the world. Thus, export deliveries of sunflower seeds (crushed and crushed) in 2018 y. amounted to 58.7 ths t worth 28.2 million dollars. The value of oil deliveries to EU markets, including 1.26 mln t of sunflower seeds, amounted to more than 900 million dollars. From the sale of sunflower cake at 2.1 mln t was 407 million dollars.

In the grocery store, food products occupy a different place with sufficient consumption. The Ministry of Health of Ukraine revises and approves norms of physiological needs of the population in the main nutrients and energy (table 2).

2. The level of consumption of basic food products, kg per year

Major food products	Minimum on a norm	Norm of consumption, kg per year	Years			In Mid 2013-2017 y.	Deviations (+, -) of the minimum norm, kg	Deviation (+, -) of consumption, kg
			2013	2015	2017			
Meat and meat products	52	80	56,1	50,9	51,7	52,8	0,8	-27,2
Milk and dairy products	341	380	220,9	209,9	200	212,6	-128,4	-167,4
Eggs (pcs.)	231	290	309	280	273	287,8	56,8	-2,2
Bread and bakery products	94	101	108,4	103,2	100,8	104,4	10,4	3,4
Potatoes	96	124	135,4	137,5	143,4	139,4	43,4	15,4
Vegetables and melons	105	161	163,3	160,8	159,7	162,1	57,1	1,1
Fruits, berries, grapes	68	90	56,3	50,9	52,8	52,4	-15,6	-25,6
Fish and fishery products	12	20	14,6	8,6	10,8	10,9	-1,1	-9,1
Sugar	32	38	37,1	35,7	30,4	34,6	2,6	-3,4
Oil	8	13	13,3	12,3	11,7	12,4	4,4	-0,6

Source: [9, 10].

It is established that in the consumer basket of Ukrainians, despite the usefulness and importance of fruits, berries and grapes in the healthy diet, they occupy almost the last place by the level of compliance with the actual consumption of rational (90 kg) and the minimum (68 kg) norm (after milk and dairy products). The demand for these products in 2018 y. in Ukraine is satisfied only by 58.7 %. And this despite the fact that they are able to fully provide the human body with the necessary macro and microelements, amino acids, is an indispensable prophylactic against many diseases, as well as a catalyst for enhancing the absorption of other products. On average, in 2013-2017 y., the population consumed only bread and bakery products, potatoes, vegetables, and melons in accordance with the norms. The need for fruit and berries of domestic production for rational maintenance of the population of Ukraine is established – 3.5 mln t. That is, there is a need for additional formation of the general offer up to 1.5 mln t.

Already traditionally the main reason for the low level of consumption of food as plant and animal origin, in relation to the established norms, we consider, besides the culture of consumption, national traditions or foreign influence, first of all, insufficient solvent demand of the population. Thus, the average wage in Ukraine is significantly lower than in other countries of the world – it is 175 dollars, which is 1.5 times less than Moldova, 2.0 from Ecuador, 8.8 from Poland, 16.1 from Germany, 20.4 from the United States [10, p. 20]. At the same time, the share of population spending on food in Ukraine is significantly higher than in other countries. Only an improvement in its material security implies an increase in the nutrition indicator.

Annual and monthly fluctuations of prices are observed on crop production. The highest prices for all sales channels by agricultural enterprises in 2018 y. are observed on fruits and berries during January–August. Since September, with the expansion of the offer of apples in the market, prices have fallen (fig. 1).

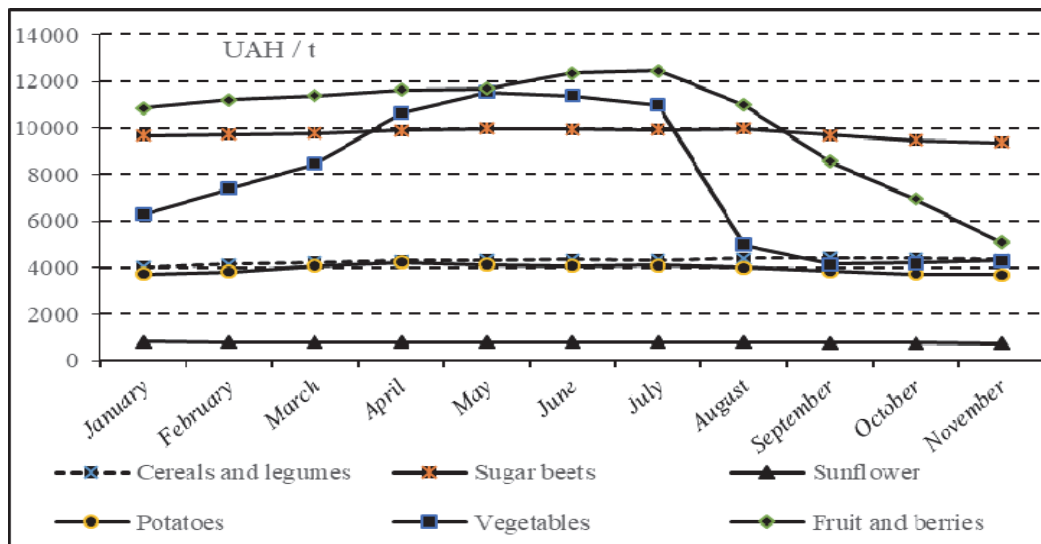


Fig. 1. Monthly average sales prices agricultural enterprises, UAH / t

Source: [6].

Stable wholesale prices during the year for grain and legumes, potatoes, oilseeds, and sugar beets testify to the sustainability of demand for these products. The annual growth of sales prices is due to the presence of inflation–devaluation processes in the country (fig. 2). During the period under study, the highest prices were on fruit and berries – in 2017 y., compared with 2014 y., 3.6 times. In 2018 y., compared with the previous, prices have fallen by 1.7 times due to the expansion of the offer of apples in the market.

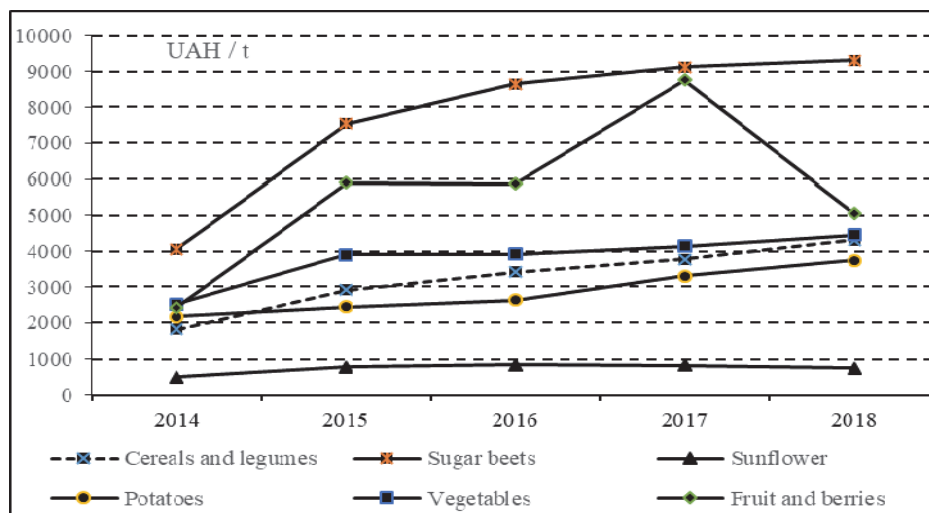


Fig. 2. Dynamics of prices of sales of products by agricultural enterprises, UAH / t

Source: [6].

In other types of products there is a moderate increase in prices without significant fluctuations. In most five years, due to high not only domestic but also external demand, prices for grain and legumes increased. So, in 2018 y., the cost of export supplies of wheat, wheat mixtures, rye amounted to 3.0 billion dollars. (16373.4 ths t). Grain crops take leadership positions in the structure of the value of export supplies to the EU countries – 2.2 billion dollars. in 2018 y., which is 30.1 % more than in the previous year and makes up 59.5 % of the cost of exported products of plant origin. It should be noted that the application of the regime of the In–depth and Comprehensive Free Trade Area between Ukraine and the EU promotes changes in our country in the legal and administrative regime for the export of domestic crop products to the EU market in the framework of the provisions of the Association Agreement between Ukraine and the EU, which entered into force in full volume from September 1, 2017 y.

The largest partners of Ukraine in the trade of crop products with EU countries in 2018 y. are Germany, Poland, Italy, the Netherlands, Germany, Hungary. Among all exports of goods to the EU, crop production was up to 6 % and was ranked fifth in the commodity structure. So, in 2018 y., farmers set a record for exports of agricultural products [11, p. 55]. The cost of exports of herbal products to the EU countries in 2018 y. amounted to 3694.9 million dollars, which is by 22.1 % more than in 2017 y., 95.7 % of the value is formed due to exported grain crops, seeds and fruits of oilseeds, edible fruits and nuts. The value of imported supplies to Ukraine in 2018 y. increased by only 3.1 % compared to the previous year and was 7.6 times lower than the value of exports (amounted to 484.6 million dollars). This is due to a decrease in demand due to the lack of purchasing power of the Ukrainian population. In addition, the prices of sales for imported products are higher than domestic ones. For example, in fruits and berries in 2018 y. in 3,7 times.

Taking into account the accession of Ukraine to the EU Program "Competitiveness of Small and Medium Enterprises (2014-2020 y.)", the efficiency of agricultural enterprises will depend significantly on how quickly they adapt to the conditions of doing business with the EU countries. After all, domestic producers in a sufficiently protected European market should have competitive advantages not only in quality, but also in price.

It should be noted that in 2018 y., financial state support of agribusiness subjects in Ukraine in all programs amounted to 4.2 bln UAH. There is a separate program to support industrial gardening "State support for the development of hops, laying young gardens, vineyards and berries, and overseeing them." Financial support was allocated to 171 enterprises in the amount of 0.4 bln UAH (9.5 % of total funding), of which costs were compensated in two directions: the purchase of gardening material amounted to 261.1 mln UAH, for the construction of refrigerators – 130.6.

Let's consider in more detail the features of the distribution of state financial support. Thus, according to the aforementioned gardening support program, there is a significant variation in the financing of the regions. The largest amount of funds is concentrated in seven regions of Ukraine: Vinnitsa, Dnipropetrovsk, Transcarpathian, Kyiv, Lviv, Khmelnytsky, Chernivtsi – 70.7 % (279.1 mln UAH). On average, one enterprise in the first line of financing accounted for 2.3 mln UAH, while for the second time it was 6.3 times more – 14.5 mln UAH. Enterprises funded in both directions (5 units) received more than 16 mln UAH. That is, in 9 of the 171 enterprises, up to 35 % of the total financial support of gardening enterprises is concentrated. This testifies to the need to revise and improve the mechanism for distributing funds at the state level, both by region and among individual producers.

In 2019 y., it is planned to allocate 0.4 bln UAH under this budget program. According to the Order of the Ministry of Agrarian Policy of Ukraine, the use of funds is allocated according to the two directions – 0.2 bln UAH accordingly [12]. Together, the financing of agro–industrial complex programs in 2019 y. provides 5.9 bln UAH, which is 40.5 % higher than the previous year.

Conclusions

According to our belief, it is indisputable that in the future, to expand the market capacity and provide high-quality crop production to the needs of the population in accordance with rational consumption standards, expansion of export supplies, the reorientation of the country's status from the supplier of raw materials to the supplier of finished products, particularly important is the intensive growth of industrial production on an innovative basis, effective normative and financial state regulation. This is especially true for growing the most capital–intensive products – fruits and berries.

The necessity of state support of various business processes in the domestic agricultural market is viewed. After all, the developed countries of the world, taking care of their own food security, seize the agrarian sector from a market economy, using state levers of agricultural regulation. The analysis of financial state support of business entities in the agroindustrial complex in Ukraine shows the need to improve the mechanism of regional distribution of funds and between individual enterprises.

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