

Problems And Prospects of Land Use of The Agricultural Sector of Ukraine

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Abstract.

Land relations have always been the focus of the public, different segments of the population, regardless of the presence or absence of land. In modern conditions, the relevance of these relations has increased significantly. The situation in land relations and the system of land use in rural areas remains complex and unresolved. The current state of land use does not fully meet the requirements of rational use of natural resources. This is confirmed by the fact that as a result of intensive land use the ecologically safe balance of land area is disturbed, the negative environmental consequences of man-made impact are felt, which cause significant damage to land resources, human health, cause significant economic damage to the economy. Thus, given the unsatisfactory use of land resources, the problem of rational use and protection of land in the modern period is of particular importance, and its solution requires effective measures of influence, including legal.

Keywords: Agricultural Sector, Financial Resources, Financing, Land, Agriculture, Price, Investment.

Introduction

Systemic economic transformations of the agricultural sector of the economy in conditions of instability and uncertainty necessitate the adaptation of agricultural enterprises to the market environment. One of the most acute is the problem of resource provision of enterprises, especially financial. Unfavorable conditions of external financing,

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reduction of budget allocations, lack of own funds motivate business entities to increase the efficiency of financial resources. The development of an effective economic mechanism for the financial support of agricultural enterprises involves the priority of their own financial resources (attraction, increment, efficient distribution, etc.) and the creation of the necessary conditions for selective state support.

Analysis of basic research and publications.

Many scientists are engaged in the research of state support of agricultural production, in particular: V. Andriychuk, V. Boyko, P. Haidutsky, B. Kvasnyuk, Y. Luzan, V. Mesel-Veselyak, O. Mohylny, A. Stelmashchuk, P. Sabluk, G. Cherkovsky and others, who in their works justified the need for state support in the agricultural sector, as well as suggested ways to improve the system of budget financing Agriculture. Despite active research on this issue, it is advisable to justify the need for state support for agriculture, as well as proposals to improve the system of its budget financing. Theoretical and methodological aspects of the problem of forming the mechanism of state support for agriculture areas remain insufficiently researched and need further in-depth study.

Forming the goals of the article.

The purpose of the article is to consider the features of the system of state support of agricultural enterprises and measures to improve the mechanism of state support domestic agricultural enterprise.

Results

In modern conditions, the issue of efficient use of land resources and preservation of soil fertility is especially acute. Today, Ukraine's agricultural land annually loses about 600 million tons of soil and 16 billion m³ of surface water, which would be enough to form 16 million tons of grain. The area of degraded soils from year to year increases by 80 thousand hectares. Almost every third hectare (30.7%) is eroded. Land that has been destructive to water and wind in Luhansk, Donetsk, Kirovohrad and Chernivtsi regions is 50-65% of arable land. In the steppe zone, two thirds of the land have reduced fertility. Every fourth hectare is acidic, and in the Forest-Steppe and Polissya zones - almost every second (49.7 - 47.4%). Particularly large areas (52.1 - 65.0%) of acid soils in Vinnytsia, Cherkasy, Ternopil and Khmelnytsky regions.

In recent years, Ukrainian land has been used in complete disregard of the physical law of return of nutrients, which has led to instability in agriculture, reduced agricultural efficiency, especially in years when natural disasters are increasingly common. Yield loss on poorly washed soils is 20%, moderately washed - 40%, heavily washed - 60%. The annual total losses of the state amount to UAH 12.76 billion, and the loss of net profit - UAH 7.4 billion. [1, p. 1].

However, despite the unsatisfactory ecological condition of lands, there is a reduction in funding for erosion and soil protection measures. During 2009 - 2014, the amount of state budget funds for land protection works, compared to previous years, decreased almost 20 times. In 2011, the state budget of Ukraine provided UAH 1404.6 thousand for the implementation of land protection measures, of which UAH 99.3 thousand. 0.6 ha of disturbed lands of the Saki district of the Autonomous Republic of Crimea and UAH 1,304.5 thousand were used for reclamation. to repay accounts payable for previous years. For 2012-2014, the allocation of funds for the preservation and reproduction of land, ensuring their rational use in the state budget was not provided, which makes it virtually impossible to implement the necessary measures [2, p. 16].

Taking into account the experience of highly developed countries, the principles of quality management should be activated in the system of public administration and create legal and economic conditions for the attractiveness and profitability of obtaining Ukrainian products of high quality and safety. Research institutions of national academies of sciences and universities, departments of research and innovation activities at the relevant ministries and services for guaranteeing the rights of national and individual intellectual property, etc., should play an important role here.

The main tasks in this area should be: - timely professional information to the government on dangerous global, national and regional environmental, economic and man-made climate problems and assistance in making operational decisions to prevent and eliminate the negative consequences of environmental and emergency situations (food, environmental and biological safety, etc.);

- economic, legal and social justification and ensuring the gradual transition of the traditional economy to the standards of sustainable development and nature management (introduction of international and national standards), as well as the development of new European methods for determining the real quality and value of Ukrainian natural resources, land, forests and water). By the way, their current official price is 5-15 times lower than in the European Union, which is unacceptable when it comes to the market for these natural resources. For example, 1 hectare of Bavarian agricultural land (very similar to our chernozems) costs about 32.3 thousand dollars and the right to buy it is foreigners, but it is too difficult to implement - the latter do not live that long, in the Netherlands - 63.7 thousand

dollars , and in Switzerland - 70 thousand. As of August 1, 2021, the average price of 1 hectare of arable land in Ukraine is UAH 26.8 thousand, which practically corresponds to the average regulatory monetary assessment;

- formation of the newest European systems and laboratories of standardization, certification and accreditation and analytical examination of quality and safety of production, raw materials, technics, technologies, the enterprises and objects of environment;

- creation of national (with regional branches) computer centers - information and consulting (with appropriate databases on the reproduction and protection of land networks) and geoinformation (satellite land surveying) [7];
- organization of state-public scientific-innovative republican and regional centers of analysis and dissemination of the latest knowledge and technologies of sustainable development of nature and nature management with bases for practical training and with the participation of ENEA; - modernization of the system of training of relevant specialists, including for educational work with the population;

- improvement of the existing and formation of a new system of control over the state of food and biological safety in the country according to European norms;

- organization of the system of constant development of the latest equipment (including robotics) and relevant technologies in the agro-industrial complex, etc. [4, p. 2].

Based on this, experts [3, p. 86; 6] offer such a scheme of financing the reproduction and protection of land resources (Fig. 1).

Issues related to the introduction of the agricultural land market in Ukraine and its consequences for its economy, given the current state of development of the Ukrainian countryside, require the application of both domestic and foreign experience.

The population of the Earth in 2050 will reach 9.5 billion people (now 7.4 billion). Therefore, the need for food and drinking water will constantly increase. Ukraine's global role as a producer and supplier to the world food market will only grow. But what needs to be done for this?

1. Fertile land is one of the key competitive advantages of our state. This circumstance should be used to take a worthy place among the countries of Europe and the world. It is not necessary to trade in land, but in what is grown on it and processed into ready-to-eat products.

2. First you need to carefully and thoughtfully formulate a policy for the development of agro-industrial complex, and only then move on to the internal circulation of agricultural land. They can be owned only by citizens of Ukraine who live in rural areas and are engaged in agricultural production.

3. It is necessary to develop, agree with the public and adopt all necessary laws, test them in an experimental mode on the lands of individual territorial communities. Disclose the names of the real owners and tenants of the land, information about which is currently closed. Take an inventory and make a realistic estimate of each hectare at world prices. For a civilized, transparent circulation of land, it is necessary to create a legal framework for lobbying oligarchic interests, based on community opinion. The land market needs public consensus, people's trust in the government.

4. The future of the Ukrainian countryside is up to farmers, not oligarchs. Local territorial communities should play a crucial role. The state should support peasants and farmers with available credit resources for the development and expansion of agricultural production using European technologies.

In Europe, 1 hectare of land costs 30-40 thousand dollars, in Ukraine - 20 thousand hryvnias. Buying-selling-reselling it can give thousands of percent of income, so there is no crime that will not go to capital for the sake of such a profit. The average income of producers from 1 hectare of arable land in the EU is about 500 euros. The use of Ukrainian lands at the same level of efficiency can provide an annual profit of 16.3 billion euros.

5. To ensure ecological safety and sustainable development, it is necessary to optimize the ratio of arable land and ecologically stabilizing lands by removing degraded and unproductive lands from cultivation with subsequent conservation (rehabilitation) and their transformation into forest and natural forage lands. It is necessary to form a network of observations of the ecological condition of soils.

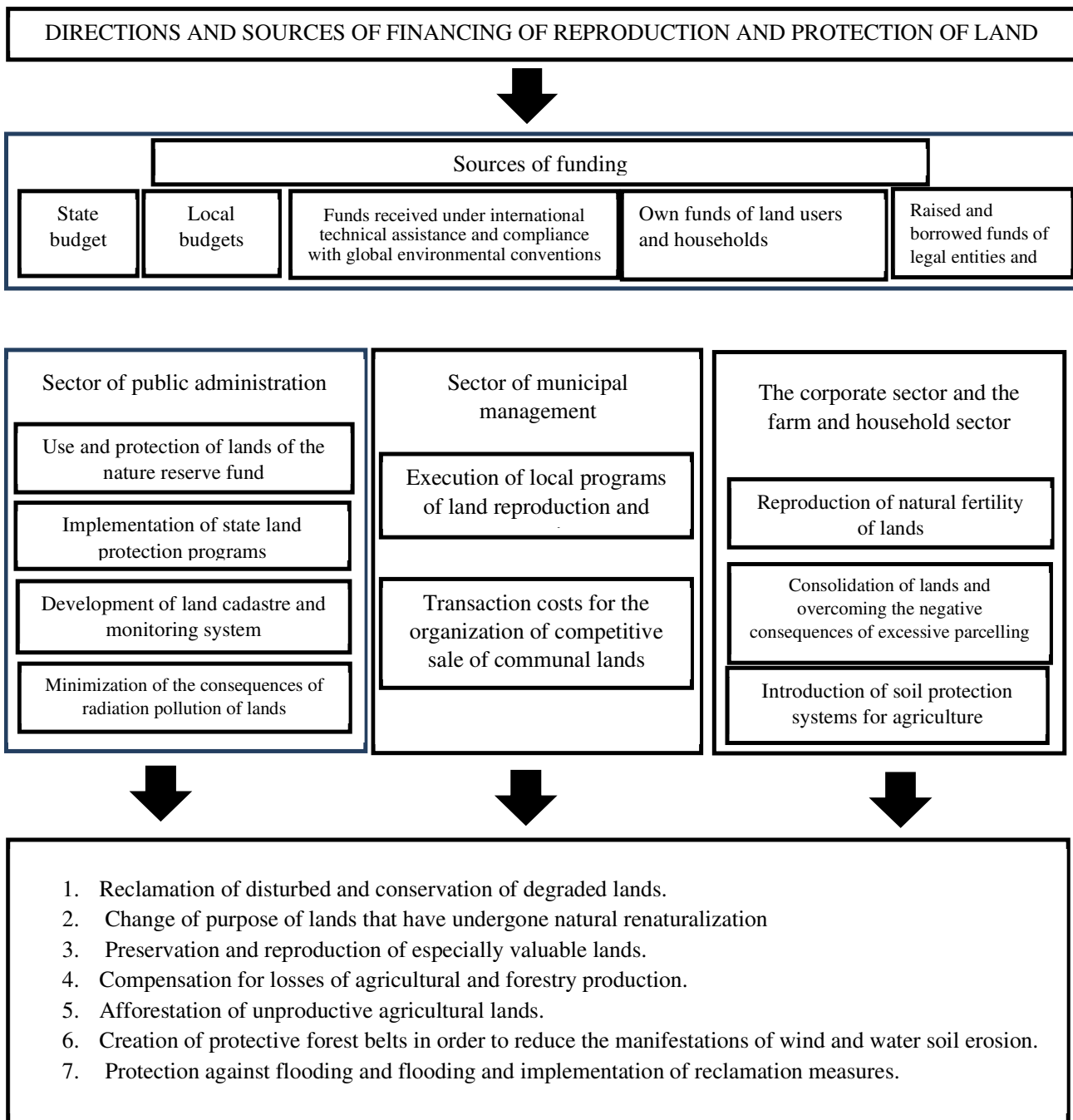


Fig. 1. Financing the reproduction and protection of land resources in terms of the main sectors of land users [3, p. 86]

6. Be sure to consider the negative demographic situation. The widespread development of farming on a new industrial-technological basis, and thus of the Ukrainian countryside, can break the negative trends associated with population decline and population aging, and will open up powerful opportunities for overcoming the demographic crisis.

7. The solution of all the above problems requires a general consensus, if necessary - an all-Ukrainian referendum. It can be initiated by the Ukrainian Society for Nature Protection - the statute provides for this [5].

The experience of European and other developed countries confirms that the systemic institutional environment for the market circulation of agricultural land should be aimed primarily at soil protection and land use optimization, which together with a high level of subsidies for agricultural activities and rural development.

Every owner of land resource in European countries seeks to carry out protection measures, because it depends on the value of the land and the assessment of land as collateral [6].

At the first stage, the price will vary depending on investment attractiveness, region, soil quality (sand or chernozem), proposals, competition - an average of \$ 1.5-3 thousand per 1 hectare. The second stage will depend on whether the rules of the game are changed and big players are allowed. Farmers will buy land from 50-100 hectares, individuals as investments - from 5 hectares.

If we focus on land as collateral, and this is only one of the factors, it is a liquidity ratio. With the opening of the market, a coefficient of 0.35 will be applied to agricultural land as collateral, in accordance with Resolution №351. That is, the bank will take into account only a third of the market value of such land when making a reservation. This is not critical for loans to borrowers with impeccable creditworthiness, but to lend to people with unconfirmed income with such a ratio is not realistic.

According to official data of the NBU, as of March 1, 2021, loans to agriculture accounted for 8.2% of the total portfolio of bank loans to enterprises. More interesting is the statistics of the state program "Affordable loans 5-7-9%", which is aimed at lending to small and medium-sized businesses and is a real indicator of banks' interest in various sectors of the economy. There are no large state corporations or market monopolies, and the competitiveness of the sector, which is based on competition between a large number of independent players, is important. So, under this program, loans to agriculture account for 54% of the total.

The main elements of the land market should be interrelated with the interests of different land users within the organizational structure of the land mortgage lending system.

Such a structure, in our opinion, should include three main blocks: institutional, functional and regulatory. Thus, the system of land mortgage lending is a set of tools for the implementation of a special form of credit relations, which, based on the implementation of a set of close relationships, form a certain integrity that ensures the transfer of financial resources in the mortgage market from lenders to borrowers active participation of infrastructure elements.

The main elements of the system of land mortgage lending are:

- object (land assets);
- entities (creditors, borrowers and infrastructure elements);
- lending mechanism (object, method and conditions of lending, loan security, complex risk management of the bank).

An important tool to ensure the legitimacy of mortgage transactions is the creation of the Ukrainian State Land Exchange, which should become a permanent land market and commercial intermediary that will facilitate the conclusion of agreements, land transactions, as well as unite and control the activities of regional land exchanges.

In addition, it requires an immediate solution to legal land issues. Since the current judicial system cannot competently and in the best time to resolve issues of land ownership, land boundaries, indicators of their evaluation, land payment rates, distribution of land participants, it is necessary to organize in the structure of courts - Land Commercial Court of Ukraine with relevant regional courts.

The creation and operation of the land credit system is also impossible without the relevant Land Inspectorate, which will carry out inspection activities in compliance with land legislation and agreements.

Conclusions.

To solve the above problems, it is advisable to take the following measures:

- to develop and adopt normative documents on expert assessment of land plots for mortgage operations and to provide training of relevant experts;
- to form a transparent system of cadastral numbering of land plots;
- to develop a package of normative and methodical documents on mortgage lending, regulation of the land market, state regional land funds and the securities market;
- creation of a system of consulting services by participants in mortgage transactions;
- to develop and adopt a package of normative documents on the creation and operation of the systems of the State Joint-Stock Land (Mortgage) Bank and the Ukrainian State Land Exchange.

The main reason for the impossibility of creating market economic relations for land ownership in agriculture is that most peasants do not have the opportunity to use such institutions (manifestations and effects) of the private property system as:

- the institute of the system of fixing the economic potential of land assets (record of land ownership not as a photograph, but as an economic concept of land use);
- the institute of the system of integration of disparate information on land use (the legal unified information system contains information on existing acts and their potential profitability. This facilitates the assessment of the market value of land and other real estate);
- the institution of the system of responsibility of owners and land users (the lack of a system of protection of rights to land and other real estate deprives the citizen of Ukraine of the opportunity to enter into profitable agreements);
- the institute of the system of increasing the liquidity of land assets (properly organized system of protection of property rights to land and other real estate opens to the owner's exceptional opportunities for division, unification and combination of assets);
- the institution of the system of certification of transactions (in the west, concern for the reliability of transactions provides significant savings in transaction costs, in Ukraine most of the assets to increase mobility went beyond the legal system into the sphere of illicit trafficking).

The task of the state is to develop a credit policy taking into account the interests of each business entity in accordance with their economic status, social significance and development strategy.

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