

TRENDS OF DEVELOPMENT OF FINANCIAL AND ECONOMIC EFFICIENCY OF AGRARIAN ENTERPRISES IN LVIV REGION UNDER GLOBALIZATION CONDITIONS

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Маркович Н. Тенденції формування фінансово-економічної результативності аграрних підприємств Львівщини в умовах глобалізації

Окреслено регіональні особливості сільського господарства Львівщини. Проаналізовано фінансово-економічну результативність діяльності його підприємницьких структур. Встановлено, що існування особистих селянських господарств є необхідним і доцільним. Доведена ефективність виробничо-господарської діяльності сільськогосподарських підприємств досліджуваного регіону. Здійснено прогноз розвитку аграрних формувань на перспективу. Обґрунтовано комплекс заходів щодо закріплення позитивної динаміки розвитку галузі, зокрема щодо: забезпечення прозорості та сприятливості регуляторної політики держави; покращання якості сільськогосподарської продукції та процедур її забезпечення за міжнародними стандартами; вдосконалення інфраструктури аграрного ринку, в тому числі створення ефективної системи моніторингу та інформаційно-аналітичного забезпечення тощо.

Ключові слова: аграрний сектор Львівщини, виробничо-ресурсний потенціал, сільськогосподарські підприємства, особисті селянські господарства, фінансово-економічна результативність, перспективи розвитку аграрних формувань.

Markovych N. Trends of development of financial and economic efficiency of agrarian enterprises in Lviv region under globalization conditions

The article describes regional peculiarities of agriculture in Lviv region and analyzes financial and economic efficiency of their business structures performance. It is determined that existence of private peasants' farms is necessary and reasonable. The research argues efficiency of production and economic activity of agricultural enterprises in the studied region. Thus, the work makes forecast of long-term development of agricultural formations. The author argues a complex of measures to support positive dynamics of the branch development, in particular, to supply transparency and favorable regulatory policy of the state; to improve quality of agricultural products and procedures of their supply according to the international standards; to improve infrastructure of agrarian market, including development of an efficient system of monitoring and information-analytic support, etc.

Key words: agrarian sector of Lviv region, productive-resource potential, agricultural enterprises, private peasants' farms, financial and economic efficiency, prospects of agrarian formations development.

Маркович Н. Тенденции формирования финансово-экономической результативности аграрных предприятий Львовщины в условиях глобализации

Определены региональные особенности сельского хозяйства Львовщины. Показано финансово-экономическую результативность деятельности его предпринимательских структур. Установлено, что существование личных крестьянских хозяйств необходимо и целесообразно. Доказана эффективность производственно-хозяйственной деятельности сельскохозяйственных предприятий исследуемого региона. Осуществлен прогноз развития аграрных формирований на перспективу. Обоснован комплекс мероприятий по закреплению положительной динамики развития отрасли, в частности по: обеспечению прозрачности и благоприятности регуляторной политики государства; улучшению качества сельскохозяйственной продукции и процедур ее обеспечения по международным стандартам; совершенствованию инфраструктуры аграрного рынка, в том числе созданию эффективной системы мониторинга и информационно-аналитического обеспечения и тому подобное.

Ключевые слова: аграрный сектор Львовщины, производственно-ресурсный потенциал, сельскохозяйственные предприятия, личные крестьянские хозяйства, финансово-экономическая результативность, перспективы развития аграрных формирований.

Problem setting. Requirements to support of food safety of the country and satisfaction of population needs in quality food products force actuality of the issue of rational use of available natural-resource potential of agrarian sector and improvement of its competitive capacity. It is impossible to solve the strategic tasks of development of socially focused economy of the country, formation of a civilized agrarian market, introduction of the country into the world economic environment without highly efficient and competitive AIC. In the process, special place is taken by agrarian formations, particularly efficiency of their economic activity. Considering the fact that loss rate of business structures is rather high in agrarian sector, it causes appearance of a set of negative social and economic factors, in particular a high level of unemployment in villages, degradation of young able-bodied population, migration to cities or abroad to find a well-paid job, etc. Besides, challenges of the time set new problems for the branch and prospects of its further development depend on timeliness and efficiency of their solution.

Analysis of the latest researches and publications. A complex research of transformations in agrarian sector of Ukraine's economy is revealed in the works of numerous leading domestic scientists, including V. Ambrosov (Ambrosov and Marenych, 2013), O. Borodina (Borodina and Prokopa, 2013), P. Haidutskyi (2014), I. Kyrylenko (Kyrylenko and Demianchuk, 2015), M. Kropyvko (Lupenko and Kropyvko, 2013), Yu. Lopatynskyi (2013), H. Mazniev (2014), M. Malik (Malik and Shpykuliak, 2010.), Yu. Lupenko (Lupenko, Sabluk, Mesel-Veseliak and Fedorov, 2014), H. Cherevko (Cherevko and Kolodii, 2012), I. Yatsiv (2013; 2015) and others. The scientists consider the issues of functioning of agrarian enterprises, their balanced development and ways to use production and resource potential on innovation-investment base to improve their financial and economic efficiency. Impact of new social and economic factors has caused some problems in the branch development. On one hand, continuous fall of prices at the global agrarian markets forces agricultural producers to reduce amount of production (cropping area, livestock), and, on the other hand, fluctuation of the

national currency rate results in a rapid rise of prices for fuel and lubricants, mineral fertilizers, means of plant protection, etc. Thus, there is a necessity of a reliable assessment of the mentioned tendencies, including the ones on the regional level.

Task setting. The author sets the following tasks of the research: to define peculiarities of development of agrarian sector in Lviv region economy; to make assessment of financial and economic productivity of performance of its business structures; to argue a complex of measures concerning strengthening of a positive dynamics of the branch development.

Methods of the research and materials. The work used the following methods of the research: bibliographic (to study scientific works concerning development of agrarian sector and agrarian transformations in a village), method of a comparative analysis (to compare agricultural enterprises and private peasants' farms), method of a system approach (to argue principal directions of the agrarian sector development in the period of financial-economic and political crisis).

Main material. Agrarian sector of Lviv region is represented by agricultural producers of two categories. According to their legal status, i.e. juridical persons, one of the category includes agricultural enterprises of different organizational – legal forms and farming enterprises. The other category includes physical persons, i. e. farms of population and private peasants' farms (PPF), which take the essential share (table 1).

Results of the made calculations demonstrate that, in the studied period, number of agricultural enterprises was reduced by 17,2% (297 units), including farming enterprises – by 10,1% (117 units). Number of private peasants' farms was also reduced by 9,3%, i. e. 300,6 thousands of farms. Tendencies to increase are observed in the number of agricultural cooperatives, i. e. by 33,3%.

In Lviv region, peasants' organization, i. e. private peasants' farm, is of special importance among the farming forms. Characterizing importance of the enterprises, one can affirm that they mainly supply agricultural products, which are labor-consuming and usually produced with a shovel and rake, for the whole region, (table 2).

Table 1

Dynamics of the number of agrarian formations in Lviv region, unit*

| Form of economic management | 2005 | 2010 | 2012 | 2014 | 2015 | 2005 as compared to 2015, % |
|-----------------------------------|-------|-------|-------|-------|-------|-----------------------------|
| Agricultural enterprises | 1725 | 1490 | 1484 | 1426 | 1428 | 82,8 |
| State enterprises | 23 | 10 | 9 | 6 | 6 | 26,1 |
| Non-state enterprises: | 1702 | 1480 | 1475 | 1420 | 1422 | 83,5 |
| farming companies | 304 | 250 | 257 | 228 | 224 | 73,7 |
| private enterprises | 200 | 177 | 160 | 133 | 128 | 64,0 |
| agricultural cooperatives | 12 | 13 | 20 | 14 | 16 | 133,3 |
| farming enterprises | 1161 | 1002 | 1009 | 1028 | 1044 | 89,9 |
| other enterprises | 25 | 38 | 29 | 17 | 10 | 40,0 |
| Private peasants' farms, thousand | 331,3 | 319,4 | 303,5 | 299,9 | 300,6 | 90,7 |

**Source: calculated on the base: (Agriculture of Lviv region: statistical collection, 2016, p. 25).*

Table 2

Dynamics and structure of agricultural products production according to the categories of enterprises (in comparative prices of 2010), million UAH*

| Indicator | 2005 | 2008 | 2010 | 2013 | 2015 | 2015 as compared to 2005, +/- |
|------------------------------------|--------|--------|--------|--------|--------|-------------------------------|
| Gross output of agriculture, total | 7129,7 | 7557,1 | 7370,8 | 8813,3 | 9024,9 | 1895,2 |
| including agricultural enterprises | 738,8 | 1598,5 | 1862,2 | 2898,9 | 3045,0 | 2306,2 |
| to the total, % | 10,4 | 21,2 | 25,3 | 32,9 | 33,7 | 23,3 |
| private peasants' farms | 6390,9 | 5958,6 | 5508,6 | 5914,4 | 5979,9 | -411,0 |
| to the total, % | 89,6 | 78,8 | 74,7 | 67,1 | 66,3 | -23,3 |

**Source: calculated on the base (Agriculture of Lviv region: statistical collection, 2016, p. 23).*

Thus, in the total value of gross output of agriculture, constituting 9024,9 million UAH in 2015, total contribution of population's farms constituted 5979,9 million UAH, or 66,3%, and agricultural enterprises – 3045,0 million UAH, or 33,7%. Besides, according to the data of statistical reports, in 2015 farms of population produced 97,1% of potato, 92,7% of vegetable, 90,5% of fruits and berries. Production of milk, eggs and wool made 95,5 %, 88,9% and 85,7% respectively. Describing prospects of development of private peasants' farms, one should

say that they can not be considered a progressive form of farming in agriculture. They do not need highly qualified workers, expenses for improvement of their educational level are not paid back, and their size is too small to introduce achievements of scientific and technical progress. Generally, in the last 15 years, one has observed reduction of their share by 23,3% in production of agricultural products. It proves that globalization processes have caused loss of the farming form position at the market (table 3).

Table 3

Indicators of development of private peasants' farms*

| Indicator | 2005 | 2010 | 2015 | 2015 as compared to 2005, % |
|---|--------|--------|--------|-----------------------------|
| Number of farms, thousand units | 331,3 | 319,4 | 300,6 | 90,7 |
| Average size of a farm, people | 3,05 | 3,03 | 3,02 | 99,0 |
| Value of gross output of agriculture in comparative prices of 2010, million UAH | 6390,9 | 5508,6 | 5979,9 | 93,6 |
| including: per one farm, UAH | 19290 | 17246 | 19893 | 103,1 |
| per 100 ha of agricultural lands, thousand UAH | 846,5 | 698,9 | 788,7 | 93,2 |
| Area of agricultural lands, thousand ha | 355,5 | 319,8 | 320,5 | 90,2 |
| Cattle livestock, thousand animal | 322,1 | 227,8 | 183,3 | 56,9 |
| Yield capacity, hwt/ha: grain | 27,7 | 25,5 | 38,1 | 137,5 |
| sugar beet | 190 | 208 | 280 | 147,4 |
| potato | 131 | 131 | 170 | 129,8 |
| Annual average milk yield per a cow, kg | 3628 | 3906 | 4199 | 115,7 |

*Source: calculated on the base (Agriculture of Lviv region: statistical collection, 2016, p. 45).

The made calculations prove reduction of their number by 9,3%. Area of agricultural lands, used by them, has reduced by 9,8% and constituted 320,5 thousand ha, and cattle livestock reduced by 43,1%. Gross output, per 100 ha of agricultural lands, has similarly decreased by 6,8%, proving fall of economic efficiency of private peasants' farms. In spite of the unfavorable statistics, these farms constitute a productive and social base for development of rural territories. Peasants work hard to support social and economic potential of rural territories and save them from degradation. The further development of such forms of economic management depends on a complex solution of the following tasks: diversification of economic activity, state support for their performance, cooperation, and support by large agrarian business.

Thus, there is an objective necessity of a detailed study of agricultural enterprises performance (table 4).

The carried out analysis proves that their degradation under market conditions is in progress, and only those will stay at the market, who are able to stand market transformations and attack of financial and economic crisis in the country. Thus, number of agricultural enterprises has re-

duced almost by 48%. The average number of employees, engaged in agriculture, has also reduced by 60,2%, including by 22,6% – per an enterprise. It is the negative phenomenon, which brightly demonstrates the fact, that unemployment level in agriculture of Ukraine will have a tendency to increase in the following years.

Productive-economic and financial activity of agricultural enterprises stay in permanent financial-economic crisis. Even dynamical increase of income from sold products does not confirm financial successes in the branch, because expenses for production increase faster due to the raise of prices for different resources and services. In the last 15 years, one has observed a considerable growth of profit from 61,3 million UAH to 1297,3 million UAH, but the expected growth of profitability in production has not been achieved. A positive moment in the current situation is that production of agricultural products is characterized with a notable growth under almost unchangeable production potential. Thus, production of gross output per 100 ha of agricultural lands increased 4,9 times in the studied period, and proved growth of efficiency of their economic activity, giving hope for the future.

Table 4

Indicators of development of agricultural enterprises in Lviv region *

| Indicator | 2005 | 2010 | 2015 | 2015 as compared to 2005, % |
|---|--------|--------|---------|-----------------------------|
| Number of enterprises, unit | 365 | 197 | 189 | 51,8 |
| including loss-making ones, % | 45,2 | 47,7 | 21,8 | 48,2 |
| Annual average number of employees, engaged in agriculture, people | 15780 | 7101 | 6287 | 39,8 |
| including: per one enterprise, people | 43 | 36 | 33 | 77,4 |
| Value of gross output of agriculture in comparative prices of 2010, million UAH | 738,8 | 1862,2 | 3045,0 | 4,1 times |
| including: per one enterprise, thousand UAH | 2024,1 | 9452,8 | 16111,1 | 7,9 times |
| per one employee, UAH | 46819 | 262245 | 484333 | 10,3 times |
| per 100 ha of agricultural lands, thousand UAH | 225,1 | 691,7 | 1106 | 4,9 times |
| Area of agricultural lands, thousand ha | 256,7 | 236,1 | 275,4 | 107,3 |
| including: per one enterprise, ha | 703,3 | 1198,5 | 1457,1 | 2,1 times |
| Profit from sale of agricultural products, million UAH | 61,3 | 333,7 | 1297,3 | 21,1 times |
| Profitability level (loss rate) from sale of agricultural products, % | 7,9 | 27,6 | 28,3 | +20,4 points |
| Profitability level (loss rate) of crop production, % | 17,2 | 39,6 | 29,4 | +12,2 points |
| Profitability level (loss rate) of animal breeding, % | -3,6 | 0,7 | 22,9 | +26,5 points |

**Source: calculated on the base (Agriculture of Lviv region: statistical collection, 2016, p. 103–109).*

Thus, development of the national economy is based on sustainable and productive activity of its agrarian formations. The author considers it is necessary to make forecast of their development in the future (see fig.).

The forecast for 2020 and 2025 expects raise of efficiency of economic activity of agricultural enterprise in Lviv region. In 2025, as compared to 2005, there will be reduction of their number to 163. However, in 2020, production of their gross output per 100 ha of agricultural lands, as compared to 2005, will increase 7,6 times, and in the forecasted 2025 – 9,2 times. Speaking about peasants' farms, one expects reduction of their number to 265,4 thousand units in the forecasted 2025. In 2025, production of gross output per 100 ha of agricultural lands will be similarly

reduced by 9%, as compared to 2005. In general, in Lviv region, one expects growth of production of gross output per 100 ha of agricultural lands 1,5 times or by 357,9 thousand UAH in 2020, as compared to 2005, and in 2025 – 1,7 times or by 449,2 thousand UAH, as compared to 2005. Nowadays, financial support for agriculture is an actual issue for agrarians of Lviv region. To achieve the aim there is an acting regional program of support of agro-industrial complex «500 successful enterprises», which expects consolidation of the owners of land shares into cooperatives to make agreement with enterprises, purchasing the grown products. It supplies the ways to sell the grown products by landlords to interested companies and settle all juridical issues of their cooperation.

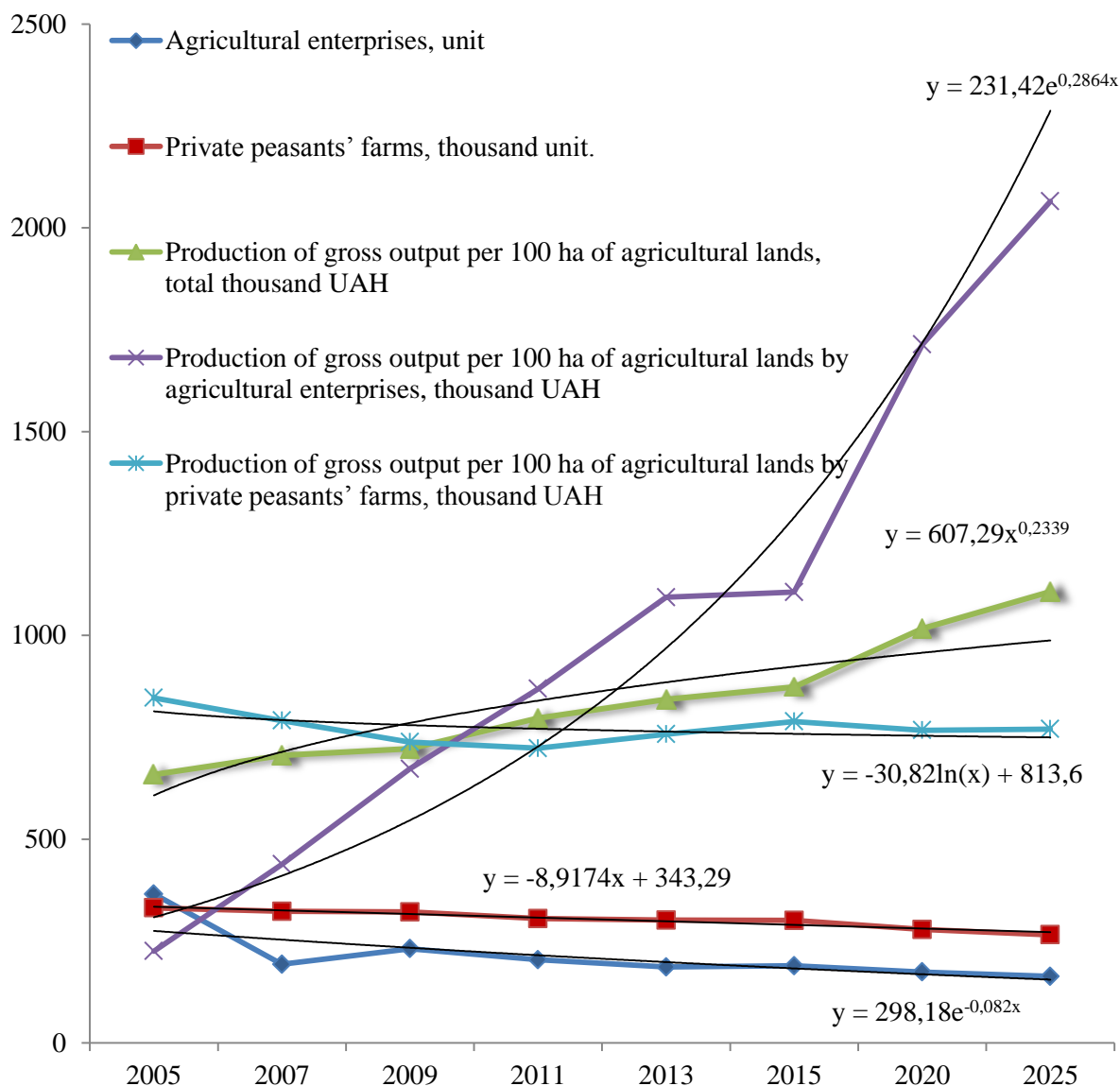


Fig. Forecast of long-term development of agrarian formations in Lviv region*

*Source: developed by the author.

Thus, the aim of the project is the development of farms Lviv region and attract young people with agrarian education, forcibly resettled people and demobilized participants of the ATO for cooperation. Partners of the project implementation include: Lviv agrarian advisory service and IChF «Well-being of communities», LLC «Yablunevyi Dar» and WhMJC «Shuvar»; credit unions (CU «Vyhoda»); law society «Kubarara and partners».

There is an acting Complex program of support and development of agro-industrial production in Lviv region in 2016–2020 to solve the

actual problems of agriculture at the regional level. Financial resources are focused on partial reimbursement of credit percent for agricultural producers, support in the form of privilege credits, and measures of protection and reclamation of soil fertility. In general, in 2016 the regional budget allocated 11 million UAH for development of agriculture, in 2017 it allocates 12,1 million UAH, in 2018 – 18,6 million UAH, in 2019 – 20,9 million UAH and in 2020 – 23,4 million UAH. In total, it is planned to spend 86 million UAH. Besides, in Zhovkva district, Netherlands government supports implementation of a pilot

project of the European partnership MATRA, which should supply development of agriculture and rural territories.

Conclusions. Current stage of agriculture development in Lviv region is accompanied by a set of social and economic problems. However, even, under unfavorable conditions, agrarian sector still demonstrates respected rates of development. At the same time, new challenges require an appropriate response of the state, agrarian science and practice. Timeliness and efficiency of agrarian sector adaptation to new conditions of economic activity influence its further prospects to occupy a deserving position

among the leading producers of agro-industrial products in the world. However, in the future, it is necessary to rationalize the system of state support of agriculture, particularly to supply correspondence of the system of AIC administration to the international standards and requirements, to provide favorable conditions for investment into agrarian sphere of the state economy, to supply agricultural enterprises with necessary material and technical base and technologies, to consider peculiarities of agricultural production in the regions, to improve legislature concerning revival of agricultural cooperation, etc.

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