

## THE PRIORITIES OF A REGIONAL POLICY OF DEVELOPMENT OF GRAIN PRODUCTION

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The desire of quick enriching and unwillingness to support a scientific coordination of actions leads to a disbalance in a structure of sowings of agricultural crops and thus provokes the adverse conditions specifically for primary producers. The absurdity of the situation is confirmed by decrease in a profitability of grain production in favorable (productive) years.

In transition to innovative model of growth a determination of regional priority and a balance in economic structure takes a particular relevance. That is the national growth is determined by the relevant stage of development of each constituent segment. An agrarian segment is not an exception and especially such an important sector as grain production.

In this context, the priority of research of functioning of a grain production branch is stipulated by the state significance and potential export opportunities of grain raw materials and products of processing of grain.

The development of grain production received considerable attention both from state and from agrarian scientists such as B.H. Andriychuk, V.I. Boyko, V.L. Volynets, O.V. Kalyuzhna, V.V. Klochan, M.H. Lobas, P.T. Sabluk, L.M. Khudoliy, O.M. Shpychak and others.

From a number of issues that ensures a sustainable perspective growth of an agrarian sector the structuring of production deserves a special attention. So if we do not permit a direct governmental regulation and intervention in the production processes of agrarian producers we may coordinate the interests of agrarian producers to maximize their own benefits and the desire of a state to ensure food safety.

Thus, only a well-grounded and prudent macroeconomic measures may provide a motivation on the microlevels of economy.

**Methods of the research.** The purpose of study is the theoretical justification of the principles of forming of structure of grain production. According to the task the following methods are used: dialectical, abstract and logical, system analysis, the method of historical and logical unity in economic research. The papers of the leading national scientists on economics, the official materials of the State Committee of Statistics of Ukraine make the informational base of the research work.

**The results of the research.** The decision of a given problem lies in the realization of an export orientation of grain production and solution of a number of problems: optimization of growing of cereals based on the qualitative evaluation of land, the creation of appropriate conditions for the basic specialized households, industries and areas of grain production, the improvement of allocation of purchasing and processing enterprises in order to optimize the grain flows.

The experience of the developed countries shows that the solution of the outlined

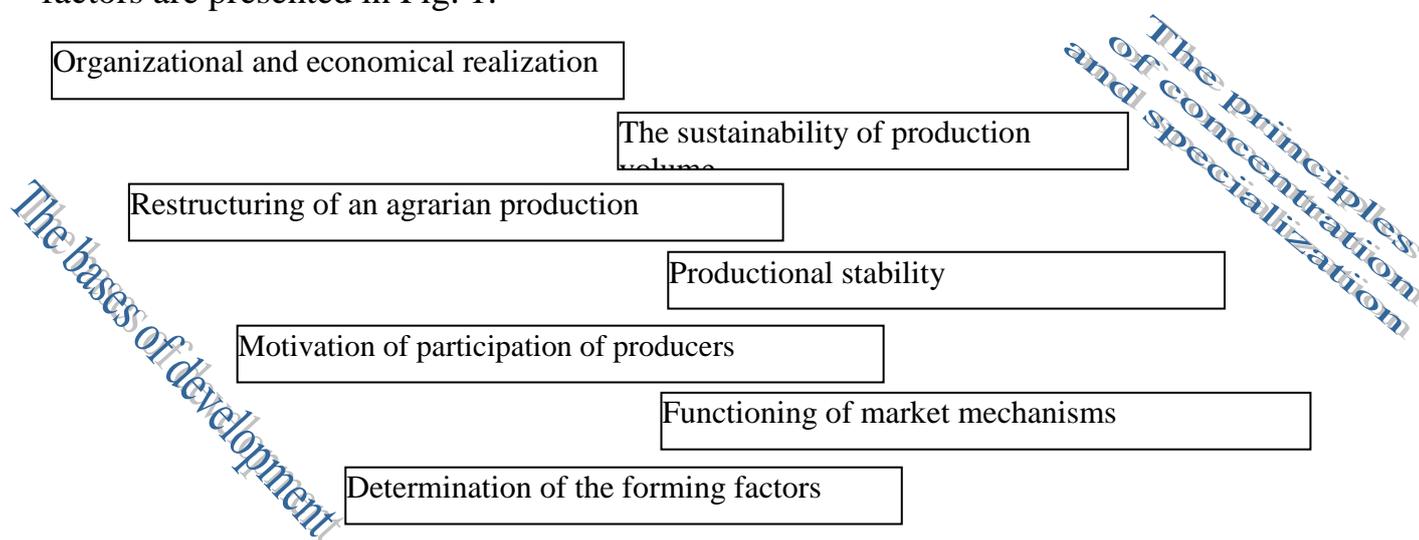
issue is complex and multivariate and is stipulated by the stage of economic development in general, and practical implementation will require a lot of time with a constant adjustment to market conditions.

According to V.I. Boyko a structuring of production is one of the main components of agricultural policy and sectoral departments [1].

Nemchinov V.S. determines the rational allocation of rural economic production to achieve the maximum extent in satisfying different needs of society, to provide labour productivity and land productivity in terms of improvement of its fertility [2].

At present, analyzing the grain balances and the channels of grain producers we can make a conclusion about the significant trends in export of grain raw materials. On one hand this is acceptable because it contributes to the excess of production over the internal capabilities of consumption. A desire to achieve and to maintain an annual gross yield to the maximum extent is intelligible.

The overall scheme of the structure of production taking into account the main factors are presented in Fig. 1.



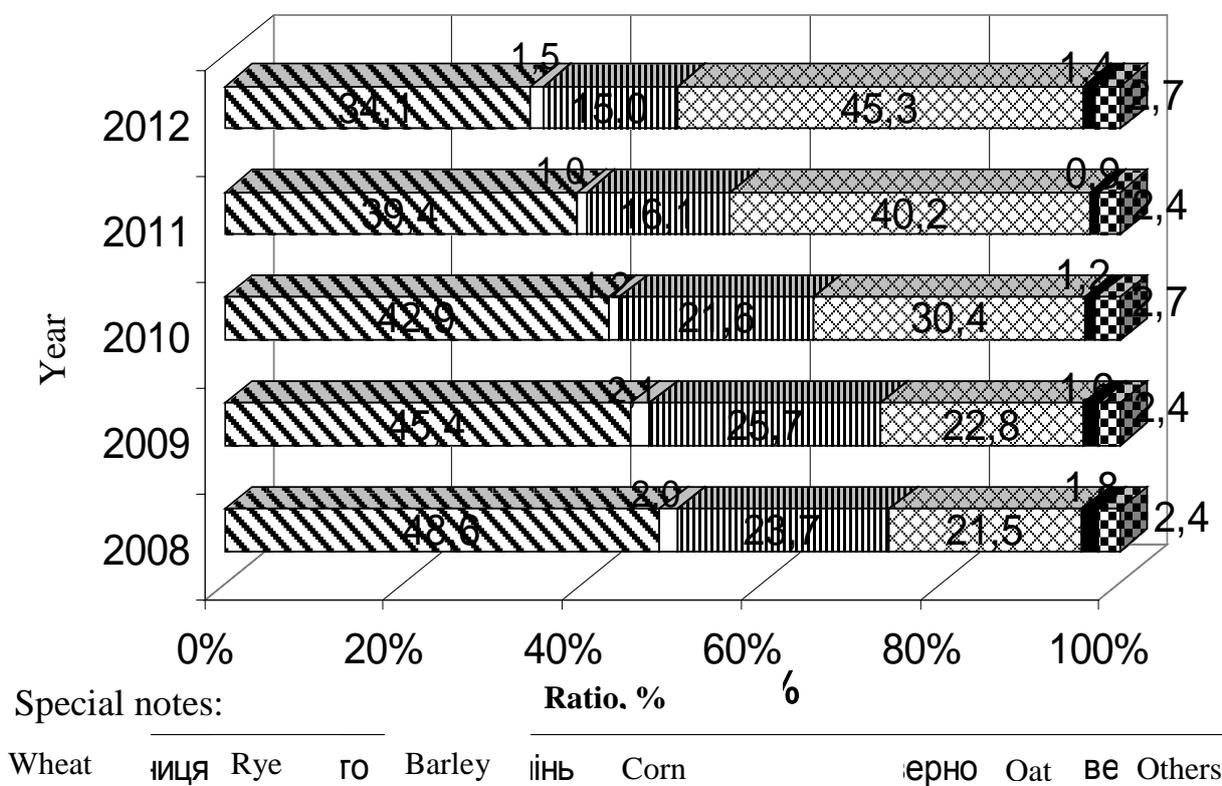
**Figure. 1. The general scheme of the basic principles of structuring**

There are different views on the strategy of development and on the formation of the structure of production. For example, "marketing" approach foresees the orientation of supply on demand. According to this view the internal demand can be satisfied under any condition, and intended for export surpluses. This option does not involve significant changes and can be reached by the modern level of production. The other approach is more radical and aims on the achievement of maximum results in the gross harvest of grain of over 60 million tons due to the increase of proportion of corn and barley [3,4].

A visual display of the latest trends in grain production in 2008 – 2012 years is shown in Fig. 2 [5].

According to the characteristics of territories of Ukraine and their specific differences, we conduct more detailed research in the context of natural areas. Indeed, the most significant factor of the investigated problem is a territorial location. In terms

of production it may be favorable for the cultivation of one culture and less favorable or unsuitable for growing the other one. A long-term orientation of production of certain cultures is an important criterion for their potential productivity.



**Figure 2. Dynamics of the structure of production of cereals and legumes in Ukraine in 2008 – 2012**

Describing each zone separately, we note that, in despite of statistical improvement in recent years, the overall indices have not reached the level of the year of 1990.

In the Steppe Zone (Crimea, Dnipropetrovsk, Donetsk, Zaporizhzhya, Kirovohrad, Luhansk, Mykolaiv, Odesa and Kherson) the change in production was negatively affected by the periodical reduce of an acreage under crop, decrease of the application of fertilizers and general deterioration of logistical situation. The analysis of dependence of indicators of the areas under grain for the last 10 years has shown a direct correlation of increase of profitability together with the increasing acreage of sowings. Thus, the companies that have retained a large-scale production (under grain crops over 2,500 hectares) are profitable and have better economic indices than those who grows grain crops on an area of 600 hectares (profitability is 20%).

According to the administrative-territorial division the Steppe Zone includes the territories of Vinnytsia, Kyiv, Poltava, Sumy, Ternopil, Kharkiv, Khmelnytsky, Cherkasy and Chernivtsi regions. The development of grain production area was determined by the same transformational factors as in the Steppe Zone. Grouping according to the area of sowing and dependence between size and profitability has showed significant benefits of a large scale production (from 500 tons and

more). Sowings on an area of 400 hectares or less in every other sector are unprofitable.

Area of Polissia (Volyn', Zhytomyr, Zakarpattia, Ivano-Frankivsk, Lviv, Rivne and Chernihiv regions) has significant differences from the previously studied zones.

In this zone, the size of farms and acreage of crops are much lower than in other areas. Because of this, the costs of grain production is almost twice higher. The development of grain production in a given zone should be aimed at the maximizing support of own needs in grain production at the expense of individual approach to growing crops in every single area.

The direction of development should consider:

- the coordination of a specialization of production according to the climatic zone;
- the support of a large-scale specialized production as an important market participant and state programs to ensure national food safety;
- the encouragement of introduction of innovative technologies of grain production.

The decision of the Cabinet of Ministers of Ukraine № 164 after 11<sup>th</sup> February, 2010 has defined the standards of an optimal correlation of crops in crop rotation in different natural and agricultural areas. However, in our view, a number of positions are much generalized. In addition to the published changes the specific numbers are replaced by "word and figures to..." the greatest indicator. Example: "... in the column "industrial crops" in position "to Polissia" numbers and signs "3 – 25" is necessary to replace the word and figures "to 40", in position "Forest Steppe" numbers and signs "5 – 30" replace with the word and figures "to 40" that due to the significant generalization, in our opinion, is very much successful [6].

In common structure of production of zones it is advisable to keep the correlation for the last 10 years. The priorities of development of grain farming in the Steppe Zone should be focused on the usage of a grassland farming system with the introduction of inherent agrotechnical measures. A large-scale production based on a careful usage of land can be combined with the pig industry – as the main "consumer" of a large amount of feed grain. For example, winter wheat will take between 50 – 55% of the cultivated area and about 60% of the gross grain harvest, corn – by 7 – 10 and 12 -15%. The principle matter is a promising direction to the improvement in coming years the yields on an average of 10 to 15% and the consolidation of the achieved results. This will increase grain supplies on 1.5 million tons compared to 2009 – 2012 years and will improve export opportunities.

In the prospective structure of grain sowings in the Forest Steppe zone winter wheat area will take 50 – 55% of area and 40 – 45% of volume of production, legumes – by 8 – 10% and 10 – 13%, and corn – 12 – 15% and 15 – 18%. Currently, the level of domestic demand of Steppe Zone is sufficient and these regions have a considerable export potential of grain.

In order to avoid the negative market situations after reaching the gross production, a question of its effective development is important. Future payments must have priorities in the development of livestock and its growing needs. On achieving a sustainable rate of consumption the internal consumption on food purposes will not increase because of a rise of dairy, meat and fish products in a diet.

**Conclusions.** The enhancing of market processes and the growth of indices of agrarian and grain production in particular should not be based only on defining, but

also on compliance of directions of a determined regional policy. Future grain production must be refocused on a large-scale production, taking into account of the climatic conditions of a region. It means the creation of the regional grouping farms for growing, storage and processing of certain crops, which are formed on the basis of profitability, sustainability and efficiency in a usage of natural resources and productive capacity. The state should provide liabilities and encouragement according to the specifics of each regional grouping.

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***Комиссаренко Е. Н.***

***Приоритеты региональной политики развития зернового хозяйства.***

*Рассмотрены и систематизированы фундаментальные основы и факторы воздействия на структуризацию аграрного сектора.*

*При переходе на инновационную модель развития детерминация приоритетности баланса структуры региональной аграрной экономики становится особенно актуальной.*

*Перспективность рыночных процессов и возрастающая динамика показателей аграрного производства и зернового хозяйства в частности, должна базироваться не только на научном обосновании, но и на строгом выполнении определенной региональной политики.*

*Развитие зерновой отрасли должно быть переориентировано на крупнотоварное производство с учетом природно-климатических условий региона.*

*Со стороны государства необходимо предусмотреть обязательства и поощрения соответственно специфике каждого территориального объединения.*

*При определении направления развития необходимо учитывать:*

*– соответствие специализации производства природно-климатической зоне;*

- поддержка (создание) крупнотоварных специализированных участников рынка в соответствии с государственными программами обеспечения национальной продовольственной безопасности;
- поддержка и поощрение внедрения инновационных технологий зернопроизводства.

*В общей структуре производства зерновых целесообразным будет сохранить соотношения характерные для последних десяти лет.*

*Приоритеты развития зернового хозяйства в степной зоне должны быть ориентированы на применение травопольной системы земледелия с внедрением инновационных систем.*

*На сегодня уровень обеспечения внутренних потребностей этих зон является достаточным и содержит экспортно-ориентированные потенциальные возможности.*

**Ключевые слова:** аграрный сектор, зерновое хозяйство, структуризация производства, крупнотоварное производство.

***Komissarenko E.N.***

***The priorities of a regional policy of development of grain production.***

*The fundamentals and the factors of influence on the structuring of an agrarian sector are considered and systematized.*

*In transition to an innovative model of development the determination of priority of a balance of a structure of regional agrarian economy becomes particularly relevant. The prospect of market processes and the dynamics of increasing of agricultural production and grain farming in particular, should not be based only on the scientific basis but it should be based on the strict implementation of specific regional policies. The development of the grain industry should be refocused on a large scale production, taking into account the climatic conditions of the region.*

*In determining the direction of development such facts must be considered:*

- the compliance of a specialization of production to climatic zone;
- the support (creation) of a large commodity market participants respectively to specialized government programs to ensure national food security;
- the support and promote the introduction of innovative technologies of grain production.

*In general the structure of grain production will maintain appropriate ratios typical to the past ten years. The priorities of development of grain production in the Steppe Zone should be focused on a use of grassland farming systems with the introduction of innovative systems.*

*Nowadays a level of the domestic demand of these zones is sufficient and has the potential of export-oriented features.*

**Key words:** agrarian sector, grain farming, structuring of production, large scale production.