

Problems and prospects of cooperative structures in agricultural production

O.M. SAKOVSKA, PhD

The problems of small forms of economic co-operation in a village in terms of property relations and land ownership reform, providing self-employment integrated programs through co-operation, especially in agriculture are considered.

Keywords: cooperation, organizational and legal forms of economy, employment, entrepreneurships.

The experience of developed countries and domestic practice say that market economy development necessitates extensive use of cooperative forms of work organization. Taking into consideration the complexity of agricultural production, private producers can not simultaneously pay enough attention to production and commercial activities, search and acquisition of resources and services for the accepted price. The important meaning in this regard is to encourage co-operation of agricultural producers. The cooperation in the agricultural sector of Ukraine has always been one of the most important areas of organizational productivity, payback fixed and floating assets, employment, reduction of production. The development of agricultural cooperation promotes free enterprise, stable efficiency; protection of producers from market pressures of monopoly intermediary structures that must be achieved by joint efforts through the foundation of agricultural service cooperatives.

The global economic crisis has adversely affected the Ukrainian economy, having limited people's and organizations' access to credit and has led to higher prices for consumer goods and energy, inflation, declining real incomes and purchasing power of citizens. In particular, the pace of small and medium enterprises development in rural areas slowed significantly which has led to the closure and restructuring of existing business enterprises. This set of factors has led to an increase in the already high level of explicit and hidden unemployment in rural areas. Thus, on the local level young people gradually lost confidence in their own communities and hope to manage successfully the economy at home, that fact again intensified immigration sentiments. [1]

Research Methodology. The theoretical and methodological basis of the study are scientific works of national and foreign researchers on issues of cooperation.

The purpose of the article is to consider the problem of small forms of farming clustering in rural areas as a prerequisite for their sustainable development.

Results. Under market conditions cooperation becomes an ideology of farmers' survival, social and productive need and economic feasibility of management. Under these conditions, servicing cooperatives can become strong competitors to private agencies in the market of agricultural products.

Taking into consideration the imminent prospect of land commercialization in Ukraine, farmers are beginning to realize that they as small shareholders may be deprived of their only resource under extremely unfavorable conditions. Nowadays, there is a trend towards buying corporate leasing rights on land by large agricultural holdings and one can expect that they will put pressure on small shareholders in determining price conditions and will force small hosts to sell their land plots, in particular through their economic activity isolation. [2]

Perhaps these signs of social apathy can be overcome by the introduction of effective integrated programs of self-employment through co-operation, especially in agriculture. Market economy requires the interaction of small farms in the form of associations that aim to solve common problems.

Problems of cooperatives development and functioning in agriculture under modern conditions are discussed in publications of V. V. Zinovchuk, V.K. Zbarskyi, M.I. Malik, V.J. Mesel - Veselyak, L.V. Moldovan, A.O. Panteleymonenko, P.T. Sabluk and other authors.

However the issue of cooperation, the implementation of appropriate processes on the level of small enterprises in rural settlements is not disclosed. At the same time in scientists' researches there is a lack of attention to methodological approaches concerning determination of agricultural cooperatives prospects development, criteria for evaluating their activity. A considerable part of agricultural producers have little acquaintance with the principles of the establishment and functioning of true co-operative organizations.

Therefore, research on Ukrainian cooperative movement should, in our opinion, except for highlighting main elements of organizational and economic mechanism of a cooperative enterprise, focus on finding ways for their implementation, to overcome the uncertainty of political, legal, social and economic fields, which prevents the development of cooperative structures.

In addition, program development cooperation, which should be introduced for small agricultural producers, can develop agricultural cooperation through selection, training and initiative groups' support of small agricultural producers, combining them into cooperatives and setting up production of finished products and assist in their implementation of a final consumer [3].

However, a characteristic feature of the present state development of economy's agricultural sector is the inadequate development of service cooperatives. Serving co-operatives worldwide have proven effectiveness in solving problems,

namely: to sell products on favorable terms and at affordable prices, to preserve and recycle products together, to provide material and technical facilities at affordable prices and the possibility of buying on credit, to use modern equipment and obtain services at cost in the best way. In the EU farmers through service cooperatives sell at domestic and foreign markets more than 60% of commodity output in agricultural sector; in the Nordic countries this figure is 80 %, in Japan and China - 90%. In most countries the scope of cooperative activities covered almost the whole production, processing and marketing of dairy products.

Ukraine has a 150 - year history of the cooperative movement. Before the revolution more than 60 % of the rural population of Ukraine was united in cooperatives. Nowadays, according to scientists' calculations not more than 0.3 % of rural population is involved in cooperation. Sales of products and software of producers with logistical resources should be one of the most important tasks of service cooperatives. There is an international formula: agricultural production itself is not a business. Production can be profitable only with resale preparation and distribution channels [4].

Speaking about the existing large cooperatives or associations of medium-sized manufacturers in the form of marketing cooperative associations, one can observe this situation : producers hand out products "from the field " to a facilitator who takes it at low prices, in fact, earning 300-400 % of own margins in the further implementation of small wholesale and retail. At the same time cash payment for products "from the field» holds cooperatives back from their full legalization and does not allow them to develop their own marketing and procurement component.

However, it appears to be a realistic option when the cooperative sells its products legally and transparently, but it does not sell raw materials "from the field" to a mediator at a low price and sells the finished, completed and packed products through its own stores or outlets, or, additionally, having registered trademark and supplying its own " brand " products in supermarkets [5].

Today 4/5 of agricultural products is sold packed in the world. Only 1/5 of it is packed in Ukraine. Each farmer is not able to establish the equipment for wrapping and packaging, only a union of cooperatives can do it.

Thus, agricultural cooperatives are a new organizational and legal framework in the country, which has emerged as a natural reaction to the realities of rural commodity market environment. The increased interest of farmers to a new type of corporate structure requires appropriate information security, wide coverage and analysis of their activity, assessment of their effectiveness and coverage of international experience. So, the foundation of cooperatives for agricultural producers allows specialization of production, improvement of its concentration, reduction of material costs and as a result to ensure the growth of agricultural

production.

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SUMMARY

The cooperation problems of small forms farming within the framework of property relations and land reform are considered, implementation of integrated development programs for self-employment of population, particularly rural citizens, through cooperation is suggested.