

УДК 330.322:631

**Gutkevych S.,***Doctor of Economics, Professor,  
Head of Department of International Economy,  
National University of Food Technologies, Kyiv***Zavadskyh A.,***Candidate of Economics, Associate professor,  
Department of Business Economics,  
Taurian State Agrotechnical University, Melitopol*

### INVESTMENT STRATEGY OF AGRARIAN SECTOR

*The analysis of agro-industrial production of evidence of the need for scientific justification for the designation of the main directions of its progressive development, the development of the market environment, entering the agrarian sector of the economy of Ukraine in the global market communities. Since the possibility of agrarian enterprises define the level of its profitability and the volume of economic activity was carried us correlation and regression analysis. Flexible and strategic dynamism set, or to take account of changes in external and internal environment that takes place in the changes in priorities and content, and the transition to the backup strategies if necessary. The directions of development strategy of agrarian sector of economy, including the investment strategy are highlighted. The purpose of the investment strategic development is to ensure stable and efficient operation of agriculture that oriented to meet domestic and export needs of the country's agricultural production.*

*Keywords: agriculture, investment, investment policy, agroindustrial production, strategic management, agriculture and food marketing, strategic set, strategy.*

### ІНВЕСТИЦІЙНА СТРАТЕГІЯ АГРАРНОГО СЕКТОРУ

**Гуткевич С. О., Завадських Г. М.**

*Дано аналіз виробництва агропромислової продукції з визначенням необхідності наукового обґрунтування виходу аграрного сектору України на глобальні ринки. Визначено рівень прибутковості і обсяги виробництва підприємств аграрного сектору з урахуванням змін у внутрішньому та зовнішньому середовищі, які відображаються у зміні стратегії. Дані напрями стратегії розвитку аграрного сектору економіки, в т.ч. інвестиційної стратегії. Метою інвестиційного стратегічного розвитку є забезпечення стабільного та ефективного функціонування АПК, зорієнтованого на задоволення внутрішніх та експортних потреб країни в аграрній продукції.*

*Ключові слова: аграрний сектор, інвестиції, інвестиційна політика, аграрна продукція, стратегія, види стратегій, стратегічний розвиток.*

### ИНВЕСТИЦИОННАЯ СТРАТЕГИЯ АГРАРНОГО СЕКТОРА

**Гуткевич С. А., Завадских А. Н.**

*Дан анализ производства агропромышленной продукции с определением необходимости научного обоснования выхода аграрного сектора Украины на глобальные*

рынки. *Определен уровень прибыльности и объемы производства предприятий аграрного сектора с учетом изменений во внутренней и внешней среде, которые отражаются в изменении стратегии. Даны направления стратегии развития аграрного сектора экономики, в т.ч. инвестиционной стратегии. Целью инвестиционного стратегического развития является обеспечение стабильного и эффективного функционирования АПК, ориентированного на удовлетворение внутренних и экспортных потребностей страны в аграрной продукции.*

*Ключевые слова:* аграрный сектор, инвестиции, инвестиционная политика, аграрная продукция, стратегия, виды стратегий, стратегическое развитие.

**Problem statement.** Nowadays production increase is the basic factor for economic development of a country which gives the foundation for intensification of investment activity. The problem of investment policy is determining of the most effective investment areas. Investor by investing money takes into accounts his/her potential prospective analyzing combination of investments and expected incomes. Branches of industry having innovation potential and production capital effectiveness stay in top-priority for investors.

For development of agrarian business the following priorities could be marked:

- economic reforms in agrarian business and agrarian sector of a country;
- development of social and manufacturing village infrastructure;
- ecological problems;
- protection and regeneration of land resources;
- forming of a food market;
- creation of own raw material base for production of mineral fertilizers and other types of chemical products;
- development of seed-grower and selection of animals;
- human-resource management in an agroindustrial complex.

These priorities could be explained by the insufficient amounts of capital investments in an agroindustrial complex, social infrastructure of village and its technical support. The state should take measures for stabilization of economy, overcoming its crisis, providing of balance between demand and supply at the food market, decrease of negative socio-economic consequences of reforms.

**Analysis of recent researches.** Foreign and national experience shows an increase of significance of business entities' economic self-regulation factors, but at the same time the necessity of purposeful influence of the state for economic development of industries of agroindustrial complex and regions is still kept. Investment process control on the macro level is related to government control of economy, because support of the state is important for activization of agriculture of Ukraine. Under the current conditions the volume of budgetary facilities in the lump sum of investments had reduced and the state is not the basic investor, but can significantly influence on it through the system of taxes, credits, depreciation, privileges and subsidies. The condition of national economy and welfare of citizens is determined and depends on state institutions. The state must become the main investor of national scientifically-informative, cultural and educational structures. Creation of the following public benefits is its function and condition allowing to provide a management investments: national safety, education, favorable and safe environment,

assured medical service, possibility of creative activity and other. Under the conditions of market economy the basic subjects of investing are economically independent on the state investors. Their activity is based on multioptional estimation of factors and tendencies that determine the choice of investment decision. The state when forming investment politics, takes into account priorities of certain period. A public policy of bringing in of foreign investments is a component part of foreign-policy activity of the state. According to the Ukrainian international agreements, projects targeted on development of its economy are supported by the following international financial organizations: International bank of reconstruction and development; European Union, International Monetary Fund. Under the market conditions the efficiency increase is possible only when system approach to problems' solving is applied. Foreign and national experience shows an increase of significance of business entities' economic self-regulation factors, but at the same time the necessity of purposeful influence of the state for economic development of industries of agroindustrial complex and regions is still kept. Under conditions of market economic relations state investments, as a source of investing, must be directed to the basic industries that determine development of agrarian sector, as well as on development of social sphere that provides terms for production development.

**Purpose of the article.** Based on the characteristics of the modern state investment policy to research the efficiency of directions of the investment strategy of the agrarian sector development.

**Main research results.** Strategic management in an agrarian sector includes development of strategies and basic methods of their implementation, creation and support of strategic concordance between the aims of object of investing, and its potential possibilities in the entrepreneurial field. Strategic management investment is related to influence of investments on economic social processes. The level of this influence largely depends on the purpose of investments' use. All economic processes are related to the economic effect. An economic effect envisages introduction of new machines and technology, improvement of production process' organization and work on an enterprise that leads to economic effect as an increase of producing of products, improvement of their quality, decrease of unit cost, which in turn leads to increase of profit. Resource effect can be attributed to economic, but because of its significance, it is considered as a separate one. It is known that technical progress leads to liberation of material, labor and financial resources at the enterprise. Mainly, it could be achieved due to industrial automation and implementation of resource-saving machines and technologies. Technical effect means appearance of new machines and technology, inventions and technical innovations, now-how and other innovations. An informative effect is related to electronization and possibility to accumulate and use information in productive and administrative activity. Social effect can be both positive and negative. The positive factors of social effect could include: increase of material and cultural standard of living; more complete satisfaction of people's necessities in commodities and services; improvement of terms and labor accidents' prevention; reduction of hard hand work; increase of people's educational level. Social and economic effects are closely related and positively influence on each other, but social effect could be materialized only due to increase of production efficiency.

Analysis of the current state of the investment management in the agroindustrial complex of Ukraine shows that presently the state centralized capital investments do not play the key role in the development of agrarian economy. Their volumes dramatically decrease as well as decrease the state management area. An agrarian sector must be examined as part of national economy of a country. Uneven distribution of investment resources not in favor agricultural production sector had

leded to disproportion in the levels of agriculture and other branches of economy development. The criteria of investment attractiveness are related to insufficient of economic ground of investment project. Based on criteria of attractiveness the following branches of economy of Ukraine could be considered as the most important: strategic (energy, agricultural sector, transport, machine building); economic (food industry, trade, education, health protection); infrastructure (social infrastructure, tourism) etc.

Determining the terms of implementation of the project, the criterion of circulating of capital that is to say the profitability related to efficiency of investments should be taken into account. The criterion characterizing an investment attractiveness needs the analysis of data obtained from the sources of investing (own, loan, foreign) and volumes of investments. A criterion of financial firmness of the entity of investing is the financial and economic state of recipient that provides a normal productive process with a necessary amount of profit. Investment projects have a certain focus (for example production of goods of agricultural sector of certain type) and must be implemented in regions, where the most favorable investment terms are created for this purpose. For determination of their level the economic development of agr sector status should be analyzed. Natural and geographical factors that influence the level of investment attractiveness of plant-grower on the regions of Ukraine are taken into account at the evaluation of market of products that includes: geographical limits of products' sale; general volume of output and sale of products; dynamics of demand on the period of investment project's implementation; quality level of products and possibility of its improvement. An investment process in agriculture depends on many factors. External factors stipulated the crisis of investment process in agrarian industry. On this stage of economic development the state does not have the opportunity to support substantially the commodity manufacturers and create terms for the equivalent exchange of products between agriculture and industry. It is explained by violation of requirements of economic laws.

Under the market conditions the state shall substantially influence the economy, accomplishing the basic function: to protect a market from a monopolism. The unique economic rules for all industries of agroindustrial complex should be established that will conform to the principle of exact distribution of economic results in the system: production - maintenance - a purchase-processing - sale, putting everybody in equal terms. Strategic economic decisions on agrarian reform should envisage such issues as development of the ownership market mechanism including land; role and importance of village goods' manufacturers. Technical and technological reconstruction of manufacture and processing of agricultural products shall be carried out on the basis of complex ecological safe technologies. Deepening of reforms in the agroindustrial sector of national economy had created favorable terms for the improvement of investment climate. With the aim of intensification of investment activity stable terms for forming of favorable investment climate should be created. A qualificatory role here should belong to the state that must involve the wide spectrum of economic instruments and stimuli. Economic methods of adjusting of investment processes should be implemented more widely. First of all it touches the problems of the tax system, revision of rates and taxation privileges; order and norms of depreciation decrees; systems of financing, crediting and pricing; grants, subsidies, budgetary loans; antimonopoly events, systems of examination and control of investments; privatizing and re-privatizing of state property; customs policy. Development of valuable investment process in an agroindustrial complex is an

important national problem the decision of which will assist the increase of food safety of the state and overcoming of the crisis of agroindustrial production and its social sphere.

Economy development projects fall into investment and system ones. Investment projects are targeted on development of separate industries and sectors of economy. They are developed taking into account a general situation in a region that allows defining the reference-points and priorities for an investment process in the agrarian sector of economy. The results of an analysis show that an investment process in agriculture depends on many factors laying beyond its limits and negatively influencing the development of agriculture.

On the basis of the study we can state the number of proposals for increase of investment activities of Ukraine efficiency. Among them could be named: support of national producers of commodities and services and civilized expulping of import, revival of business activity; acceptance of the governmental program of the differentiated support of small and medium business in the productive area with allocation of purpose credit resources. Establishment of favorable terms of taxation; revision of the system of investment activity's priorities; concentration on bank accounts and purpose use of depreciation decrees with the effective system of penalties for violation of the order of their use; development of the program of investments' guarantees for the fixed assets, especially in science-driven industries; improvement of the mechanism of favorable taxation system, including comparison of the investment programs and projects of actual results with anticipated ones. If the results obtained are lower envisaged ones, the amount of tax remissions should be reduced; establishment of custom privileges for investors.

Analysis of agroindustrial production activity shows the necessity of scientific ground for determination of basic directions of its gradual development, forming of market environment, entering of Ukrainian agrarian sector to the world market community. Based on these considerations upon an initiative of scientists the project "Strategy of development of agroindustrial complex of Ukraine" was prepared. Here the presumption was that agricultural production is a component of the uniform national economic complex. Without industrial branches of this complex – production of machines, machine building, chemical and refining complex, production of other materials – production, storage, processing and sale of the end product is impossible. Strategy should become the basic regulatory document of state level, according to which regulatory and organizational support of agriculture and other areas of agroindustrial complex should be formed.

The aim of the marked Strategy is providing of the stable and effective functioning of the agroindustrial complex, oriented on satisfaction of internal and export necessities of the country in agricultural products and its secondary products within the forecasting period, social revival of village, overcoming of poverty of the most part the farmers and its other habitants, gradual approaching of their life and work standard to the level of the economically developed countries. Achievement of an objective of an agro-industrial complex development and successful implementation of its top-priority tasks requires a dramatic increase of state and private investment resources, raising of social, economic and ecological effectiveness of their use and implementation of effective mechanisms of investment activity's intensification in all agricultural manufacturers of all forms of ownership and involvement of investments from other branches and areas of economy to agro-industrial complex, first of all to the agrarian area.

Since possibilities of agrarian enterprise are determined by the level of his profitability and volumes of economic activity we carried out a cross-correlation-regressive analysis. Results of

cross-correlation-regressive analysis due to which we had found the connection between profit on 1 hectare of grain-crops and by level of productivity of 1ha ( $x_1$ ), specific gravity of the area of grain-crops in the structure of area of agricultural lands ( $x_2$ ), production expenditures on 1 hectare of grain-crops ( $x_3$ ), gross product on 1 hectare of grain-crops ( $x_4$ ), sale price of 1centner of grains ( $x_5$ ), cost of mineral fertilizers on 1 ha of grain crops ( $x_6$ ) showed the following connection:

$$y = 19,19 + 7,96x_1 + 0,47 x_2 - 0,06 x_3 - 0,89 x_4 + 81,14 x_5 - 7,52 x_6$$

It was established that here the correlation coefficient is 0,532, that is to say close direct connection exists between correlated factors. Thus 28,3% of income of 1 ha of the grain-crops depends on above stated factor elements. Thus average increase of productivity of grain-crops on 1 centner from 1 ha contributes to increase of income from 1 ha on 7,96 UAH/ha, increase of grain-crops' specific gravity by 1% leads to increase of income on 0,47 UAH/ha, increase of operating costs of 1ha on 1 UAH contributes to decrease of income from 1 ha on 0,06 UAH, increase of gross product from 1 ha on 1 UAH contributes to increase of income from 1 ha on 0,89 UAH, increase of sales price of 1 centner of grain on 1 UAH contributes to increase of income on 81,14 UAH, increase of the cost of mineral fertilizers at 1ha on 1 UAH contributes to decrease of income on 7,52 UAH.

Taking into account multidimensional activity of the enterprise a necessity of certain list of correlated strategies presenting a so called "strategic set" should be mentioned. Strategic set represents the system of different strategies developed by the enterprise for the definite time segment reflecting the specifics of functioning and development of the enterprise and the probability of its key role within the outer environment.

**Conclusions.** Research had showed that the requirements to the strategic set should be the following:

- orientation on achievement of real mutually correlated goals;
- clearness of content and understanding of necessity of the certain strategic set (system) implementation;
- hierarchic character since could be determined the general strategy, product and commodity strategies of separate sub-divisions, basic and secondary strategies (recourse and functional) for each of scalar chain;
- reliability that envisages its comprehensive justification and reasonableness;
- reflection of economic processes taken and in mutual correlation;
- flexibility and agility of strategic set that is to say taking into account of changes within inner and outer environment which are reflected in changes in priorities and content and also when necessary transfer to reserve strategies.

Strategic set is not a demonstration of general intentions but emphasis on basic characteristics and peculiarities of certain enterprises. There could not exist two equal strategic sets for companies even if they work in the same branch. This could be explained by conditions of functioning of each enterprise: peculiarities of adaptation of inner environment to the requirements of the outer one and by the level of management influence on forming of functioning environment in general. There are no similar enterprises, thus there should be no similar strategic sets. Well-formed strategic set is the set that reflects the achieved level of development, peculiarities and conditions of its further

movement according to the strategies selected. Sound strategic set is the set that is correct for this enterprise and which could be achieved due to present potential and certain efforts for its transformation in order to provide a competitive level over a long period.

1. *Модель розвитку галузей економіки України : [монографія] / за ред. С.О. Гуткевич. – К.: НТУУ «КПІ», 2011.*

2. *Саблук П. Т. Засади трансформаційних процесів в аграрній сфері / П. Т. Саблук // Інтелект XXI. – 2014. - № 4.*

3. *Synergetic Bases of Investment in Economy Sectors : [monograph] / S. Gutkevych, M. Korinko, L. Androsiuk [et al.]. – Kyiv : NTUU "KPI", 2013.*

4. *Закон України «Про інвестиційну діяльність» [Електронний ресурс]. – Режим доступу: <http://zakon2.rada.gov.ua/laws/show/1560-12>*