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**INVESTMENT DEVELOPMENT OF AGRARIAN SECTOR IN MODERN
CONDITIONS OF ECONOMIC DEVELOPMENT**

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Abstract

The project development of the agrarian sector of the economy is given in the article. Intensification of investment activity in the country is the main goal of economic development. Of great importance for the country's economy are systemic projects aimed at reforming the country's economy. Sectoral projects are aimed at carrying out economic reforms in certain areas. Modeling of the process of investment development of agricultural production is considered.

Keywords: investments, investments, priority areas, reforms, agricultural sector, modeling, development.

Problem statement

The issue of enhancing investment for the development of economic sectors is important in modern conditions of economic growth. The implementation of the new concept of investment policy is required by the system of radicalization of economic decisions in the field of the greatest social tension and the necessary to rapid economic return on investment. The study of the investment process showed that the economic growth is carried out on the basis of systemic and sectoral targeted (special) investment projects.

Analysis of recent researches and publications

A number of scientist are working on economic development at the macro – and micro – levels, including investment development, such as Academic P. Sabluk, Professors M. Kodenska, M. Korinko, K. Prib, and others. An analysis, the organizations of the investment development in branches of economy are not fully considered in scientific researches.

The aim of the article is to demonstrate the organization of the investment process based on modeling the investment development of the agricultural (agrarian) sector of the economy.

Results

Investment projects have different aims and activities. System projects are related to the implementation of economic reforms in the country, including public sector reform, structural changes in branches and sectors of the economy. Sectoral or targeted projects contribute to the development of individual industries or their sectors. The analysis showed that the system projects can be considered as investment programs of the country. They have been described as large-scale projects, and long-term projects, integrated projects aimed at reforming the economy as a whole, and define the development of industries.

These projects are national which financing by the World Bank aim to:

- Reform the legal basis;
- Reform the financial sector;
- Implementation of important economic reforms in the agrarian sector;
- Land reform and others.

The investment sectoral target projects concretize the system projects at the regional level

for the sectoral principle. They are developed taking into account the general socio-economic situation in the region, which allows determine the guidelines and priorities for the investment process, including the agricultural sector of the economy. The analysis of the investment process in the agricultural sector shows its dependence on many external factors that negatively affect its development.

At the present stage of development, the state does not have the opportunity to significantly support producers. At the same time, as the analysis showed, the lack of equivalent exchange of agricultural and industrial products led to a violation of the requirements of economic laws, especially the law of value. As a result, there was a mismatch between socially necessary labor costs and prices for industrial and agricultural products, disrupted intersectoral economic ties, as well as insufficient logistics of the agricultural environment, increased risk of the industry, which affected its investment attractiveness and priority.

Indicators of the analysis of external factors that affect the investment process: inflation, disruption of economic relations, financial and credit relations, reduced investment inflows and others led to a crisis in the agricultural sector of the investment process. Therefore, to ensure the stabilization of the situation in the agro-industrial complex, it is necessary to significantly change the state economic program of development of the country's regions on the basis of investment attractiveness and priority. According to the study, taking into account world economic practice and national specifics of the organization of the agricultural sector of the economy, a theoretical model of the foundations of the agricultural sector of the economy is proposed (Fig. 1), which involves changing the state of the object at stages of development.

Reforming the agricultural sector as the first stage implies the need to improve domestic economic relations in agricultural enterprises and the development of individual forms of management.

In the agricultural sector, reform should be based on such areas as the presence of the owner - the owner, the creation of favorable economic conditions in the market, the activation of internal reserves to improve production efficiency.

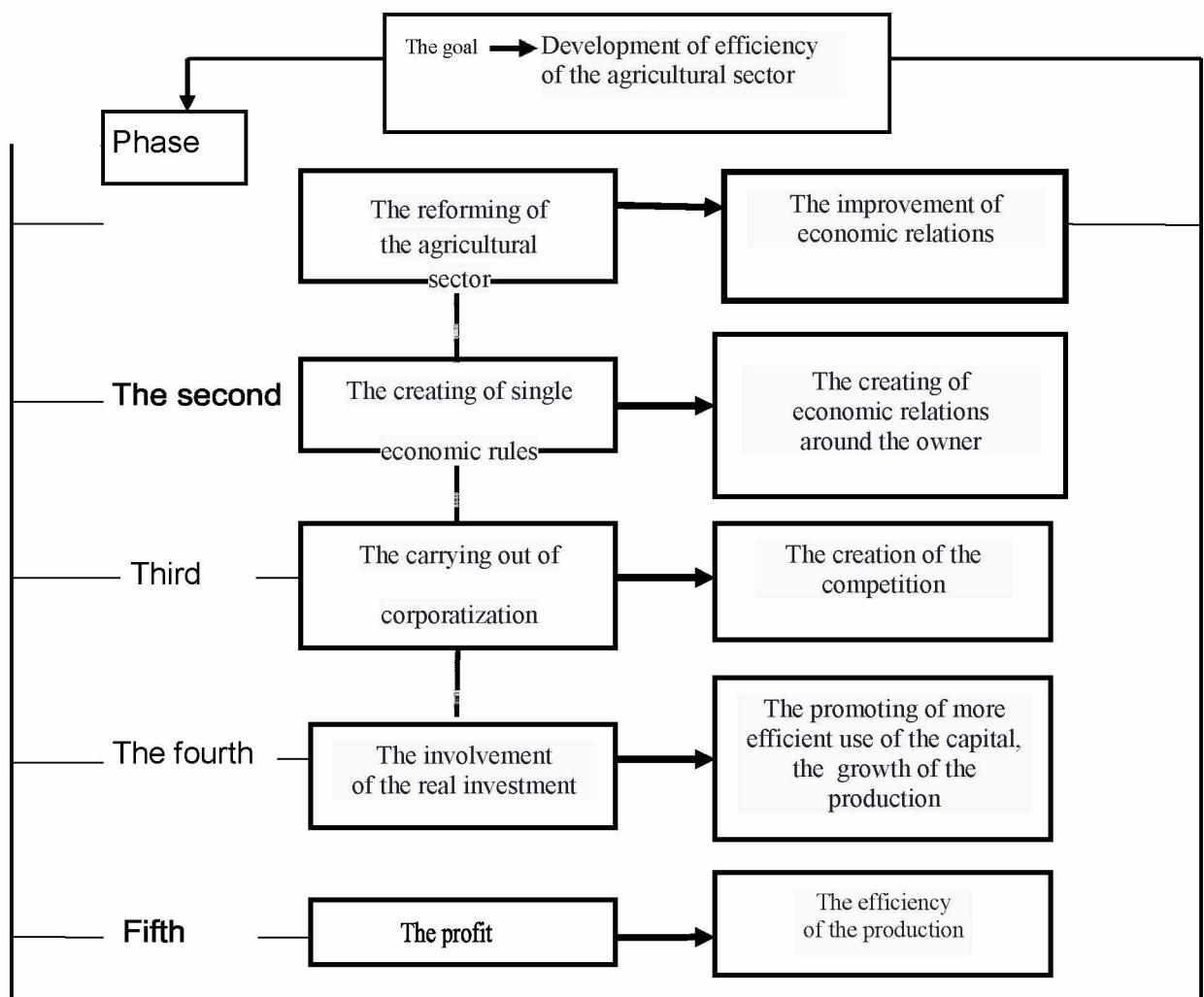


Fig. 1. The modeling of the process of investment development of the agrarian sector

It allows provide on the basis of the state protection guarantees and support the production structures of management, free cooperation of labor and capital, the creation on this basis of different types of enterprises and various forms of management. Reformation processes will help to find and determine the owner-agrarian and building a system of economic relations around it, including the establishment of investment capital.

The second phase requires the establishment of uniform economic conditions and regulations for all objects and subjects of activity. This is an important element of development, which contributes to the construction of a system of economic relations around the owner.

Due to limited investment resources, one of the main tasks of the state is to determine the priority objects of investment. It is possible to create special free economic zones and territories of priority development to increase investment attractiveness in some regions on the

basis of uniform economic rules for them. The reasons for the low efficiency of free economic zones and priority development areas are related to the instability of legislation, insufficient level of infrastructure development, the spread of the practice of "abuse of benefits". The enterprises registered in free economic zones can import products duty-free and carry out a small, mostly final stage of production of goods, which contributes to the possible partial or complete monopolization of certain markets.

World experience of economic development shows that the state influences it through economic levers, which include:

- Formation of the legal basis of economic investment activity;
- Providing competition as a condition for economic progress for the development of the national economy;
- Redistribution of stability at the macro level, that is smoothing or eliminating economic fluctuations.

The state significantly affects the development of economic sectors in modern conditions and performs its main function: protects the market from the monopoly of processing, supply, trade with more rights and opportunities for market leadership.

Creating uniform economic rules for enterprises and agro-industrial complex will promote and comply with the principle of more even distribution of economic results in the system: production - storage - purchase - processing - sale, creating the same conditions for all participants. Strategic economic decisions in the implementation of agrarian reform include addressing issues such as the development of the mechanism of the property market, including the land market, having defined a role and value of agricultural commodity producers in corporatization of the enterprises of an agro-industrial complex, state support for rural producers.

The process of formation of the private sector has such prerequisites as:

- The availability of private entrepreneurs, to effectively use its benefits and opportunities;
- The creation in society of appropriate political and social-psychological climate;
- The activity of the nation and the provision of the state the greatest assistance to the formation of private property;

– Improving the legal framework for the effective implementation of the function of ensuring and compliance by all government agencies. It is to protect the interests of owners.

The single market complex covers agricultural, purchasing, processing, service, supply, trading organizations at the micro and macro levels, and all members of the association retain full legal and economic independence. The creation of professional associations of producers is a process of corporatization, as the association involves corporate interests: separate, narrow, sectoral.

The corporate form of management in the agricultural sector provides for the creation of cooperatives of agricultural producers, which can provide agricultural producers - members of the cooperative with services necessary for their activities - are:

- Supply of means of production for members of cooperatives;
- Mechanization services: the joint use of equipment purchased and leased;
- Processing and sale of products by members of the cooperative and sale of their products;
- Sale of products of participants on favorable terms.

The enterprises of the agro-industrial complex may have cooperative forms of management, including cooperatives or leased enterprises. The capital invested in the creation of these enterprises as objects should be used more efficiently.

The normal development of production is determined by the efficiency of the expansion of the reproduction of capital associated with the physical wear and tear or obsolescence of the means of production.

The experience of foreign and domestic investors has shown that investing in real investment objects provides inflationary protection of investments.

The purpose of entrepreneurial activity is to receive the planned income for the investor. It will be important for him not only economic efficiency, but also the financial well-being of the recipient. Modern entrepreneurship requires knowledge of all financial and economic aspects of the investment process. The creation of professional associations of producers is associated with the planning of investment activities. All participants in the investment process are interested in the effectiveness of the project, its implementation. Therefore the business plan as a basis of the investment project is made, the investment project and the program in which

it is included and also questions of its operation are considered.

At the fourth stage of development of the agricultural sector, the issues of the form of investments and investment projects that depend on the type of investor are substantiated. The type of investor is a financial and credit enterprise. Based on the fact that according to the forms of investment and types of investors, investment projects are classified as real and financial, enterprises as investment objects need real investment projects and investments.

The increase in capital should be optimized to take into account the marginal efficiency of investment, because when expanding investment, less profitable projects are introduced.

Return on investment can vary depending on the type of activity, the size of the enterprise or other factors. But there is a general pattern of increasing investment. Marginal efficiency of investments depends on the level of profitability, volume of investments and quality of their use. There is a feedback: the number of investments grows, profitability decreases or the amount of income received from any activity. This is due to the general law of marginal productivity of factors of production, which decreases.

Any company has the opportunity to benefit from investment activities that will increase profits. The study of the distribution or use of enterprise profits allows to identify such main areas as interest payments for the use of credit, land fees, corporate income tax, pension and social insurance, payment of dividends, contributions to increase equity, part of the taxes goes to the state budget. Payments to the budget make up about a quarter of the profits. The distribution of net income is carried out on certain items. Since this is the profit after payments to the budget, this part of the profit is used for investment purposes: for the development of production, industry, and region.

Regulation of production and investment activities of enterprises is one of the functions of the fiscal system.

The state can make the production of certain types of production more priority and attractive by providing tax benefits, stimulating the innovative activity of the enterprise.

It is not enough that the investment simply makes a profit. They must be the most effective. The expected profit is the benchmark of the investment process and indicates the quality of investment process management.

Conclusions

At the present stage, the directions of public investment policy may change depending on the economic situation in the country. The development of investment activity requires a clear investment policy of the state, which includes the development of legislation on legal, economic and social conditions, action through instruments of state influence on the structure and volume of investments, areas of their use, and sources of income.

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