

FOREIGN EXPERIENCE OF THE STATE SUPPORT FOR SMALL AGROBUSINESS

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Abstract. *The article describes the areas of state support for small agricultural producers in foreign countries; a number of measures have been proposed to support domestic households.*

Keywords: small agribusiness; households; state support.

State regulation of the agricultural sector in the United States involves the use of loans, credits, subsidies, establishing a contract system with clear delivery times, volumes and prices, determining ways to sell products. Competitiveness in international markets is ensured through government influence on agricultural output, stability of pricing policies and farmers' incomes, which is the basis of US agriculture. Farming for small farmers is their way of life in rural areas [1]. And although small family farms receive small government benefits, these benefits allow them to function.

In general, American farmers can choose a product support scheme from two main programs: 1) price fall insurance (PLC), which provides compensation if crop prices fall below predetermined levels; 2) Agricultural Risk Insurance (ARC), which provides payments to farmers in the event of a decline in income below the national average [2].

Another market tool to support farming in the United States: the existence of two types of prices - target (guaranteed) and mortgage (rates). The former guarantee farmers a sufficient level of income to self-finance expanded production. Agricultural products are sold at market prices, which may be higher, lower or equal to the target, and at the end of the year the producer receives the difference between the target and the selling price, if the latter is lower. At a fixed price (mortgage), the farmer pledges the products to the Commodity Credit Corporation as collateral in the event that market prices are lower than the mortgage. Pledged products can be redeemed by the farmer within 9 months, but if not redeemed, it becomes the property of the commodity corporation, and the farmer receives monetary compensation at the mortgage price (rate) less storage costs [1].

In 2014, at the legislative level, direct budget assistance was replaced by another instrument - risk insurance. In 2014, the US Congress passed the Agriculture Act and the main focus was on crop insurance. There are several options for crop or profit insurance. In this case, the federal government may subsidize insurance premiums at rates from 38% to 80%, depending on the level of coverage and options chosen by manufacturers [2]. Such a high level of subsidies is necessary to make products affordable. Thus, the US government is introducing various types of assistance to support small farmers. During the crisis, the level of subsidies to American farmers increases markedly, and in income - decreases.

Canada's agricultural production receives government support by financing certain sectors of agriculture and farming through mark-ups at market prices to ensure the profitability of its products; surcharges on production costs in the form of credit support; interest payments on loans; loan guarantees; tax benefits to support the profitability of agricultural production; insurance support. In Canada, there is a unique state monopoly on the purchase of agricultural products; specially created state-owned companies regulate the supply of milk, cheese, eggs and poultry in the market, controlling domestic production [1].

An advance payment program is also used to support farmers: the government provides money for grain on the farm. Such a program is called AMPA (Act on programs for the sale products of agricultural). It operates in the fall, and another program is launched in the spring - SCAP (Spring Advance Payment Program). The farmer receives up to 250 thousand Canadian dollars for sowing. The first 50 thousand dollars are not taxed for the period until August 31 or until the final repayment of the loan. Interest in advance is paid at an advance amount of more than 50 thousand dollars [3].

Another Canadian know-how is to maintain an agreed level of production. These are quotas for the production of agricultural products sold domestically. Manufacturers have guaranteed sales at a price that is set by demand.

Poland's agriculture is export-oriented, so the state is constantly looking for new markets for agricultural products. The state is trying to support small agricultural enterprises, which demonstrate the gradual dynamics of production growth, especially in light of European surcharges for arable land or certain products. In Poland, several banks specialize in lending to agriculture. On long-term loans (up to 10 years) the state can compensate half the interest rate. In Poland, preferential lending to the agricultural sector is also popular, when an entrepreneur can pay only 3%, and the rest of the amount at the bank's interest rate is returned by the state.

In pursuance of EU regulations on producer groups and associations, the Polish Law of 15 September 2000, as amended, provides that natural persons without legal status, as well as legal entities engaged in agriculture, may organize groups to adapt agricultural products produced by them, to market conditions, joint planning of its production taking into account supply and demand in the market, the concentration of supply for the organization of profitable sales.

The same trend is observed in other EU member states, where small farms predominate, whose competitiveness is impossible without associations with the active support of the state.

The Netherlands, having achieved a strong position on the world market, the main priorities in agriculture today are not so much productivity growth as sustainable development, innovation, improving animal husbandry conditions, the use of renewable energy sources and more. In the Netherlands, in order to attract young entrepreneurs to agriculture, there is a program to guarantee part of the loan that the state is ready to take on. Young people under the age of 39 and young farmers under the age of 41 can apply. The additional loan funds that the farmer will receive under the guarantee must be spent on clearly defined goals, such as optimizing production, improving product quality or housing conditions. animals. In addition, the state supports farms that have abandoned the use of chemicals and pesticides. In order to ensure the competitiveness of these eco-products, the government, for example, has signed agreements with supermarkets and the Federation of Agricultural and Greenhouse Production to expand the distribution of these products. Another goal in Dutch agriculture is to increase the use of biomass as a fuel on farms. Thus, by 2030 it is planned to replace 30% of oil products with "green energy" [2].

In Ukraine, households play an important role in the process of agricultural production. It is the resilience of individual farms to negative changes in the environment, their flexibility and adaptability, focus on meeting their own needs, makes them an integral part of the agricultural market. Their activities partly contribute to solving the social problems of the village, establishing sustainable development of rural areas and supporting the income of the rural population.

Although the share of households in the gross output of agriculture has been declining somewhat since 2010, it still remains significant. If by 2012 households provided almost half of the gross output of agriculture, in 2015 their share decreased to 38.4%, and in 2020 - to 35.4%. Moreover, if the share of households in the total gross output of crop production in 2020 amounted to 31.7%, the corresponding figure for livestock was 47.7%. Thus, despite the significant increase in agricultural production in recent years, households continue to account for a significant share of gross agricultural output, primarily in the production of the most labor-intensive agricultural products, such as vegetables (84.6% of households), fruits and berries - 83.2%, potatoes - 98.1%, beef (75.4%), milk (70.2%). The share of households in the production of pork (44.8%), eggs (44.9%) and honey (99%) is quite significant. Thus, the supply of fruits, berries and vegetables in the domestic market is formed mainly due to domestic production, which is concentrated mainly in households.

Households that have virtually no state support demonstrate efficient management, fill the domestic food market and help preserve Ukraine's food independence.

In developed countries, small-scale agricultural producers receive state support through the establishment of guaranteed prices for basic agricultural products in order to ensure the stability of farmers' incomes and increase the level of competitiveness of agricultural production.

Small producers are a priority sector for employment. It is time to organize the Internet in rural areas and cooperative sales channels for agricultural products with the involvement of e-commerce networks.

To support households, a number of measures need to be taken at the state and regional levels: to allocate budget loans to processing and procurement organizations for the establishment of stationary procurement (reception) points in rural areas with appropriate technical equipment; to organize the purchase of agricultural products in the regional food fund for social institutions; to create a system of financial support for households; to promote the establishment of agricultural cooperatives; to hold exhibitions-fairs of agricultural products produced by households.

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