

SMALL AGRIBUSINESS OF UKRAINE IN THE CONDITIONS OF WAR

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Abstract. *The article describes the role of households in the preservation and development of local markets and food supply chains after the invasion of Russian troops on the territory of Ukraine is revealed.*

Keywords: small agribusiness; households; war.

Small business, incl. and agrarian, plays an important role in solving current socio-economic issues of the development of the economy of Ukraine. The essence and importance of small business is that it is a socially significant sector of the market economy; forms the basis of small-scale production; ensures freedom of market choice, saturation of the market with consumer goods and services of everyday demand, introduction of innovations, additional jobs; has high mobility. Activity of households plays an important role in the process of agricultural production. It is the resistance of individual farm to unfavorable changes in the environment, its flexibility and adaptability, focus on meeting own needs, makes it an integral part of the agricultural market. Its activity partially contributes to solving village social problems, establishing sustainable development of rural areas and supporting the income of rural population. The main products, which are produced in households, are sold in small batches as raw materials at extremely low prices to intermediaries or directly to processors of agricultural products on the domestic market. This is due to the fragmentation of small farms and, accordingly, the inability to compete with large forms of farming. After the invasion of Russian troops on the territory of Ukraine, households demonstrated their key role in the preservation and development of local markets and food supply chains, thus proving the sustainability and possibility of ensuring the existence of small producers.

As a result of the full-scale invasion of Russian troops on the territory of Ukraine, farmers found themselves in difficult and sometimes critical conditions. In temporarily occupied territories and in areas where hostilities are taking place, agricultural production by small producers is not always possible due to the mining of a certain part of agricultural land, the destruction and destruction of small-sized agricultural machinery, and the migration of the rural population.

In the military year of 2022, there was a decline in the production volumes of almost all types of agricultural products in households due to the lack of physical ability to conduct agricultural activities in the regions affected and suffering from hostilities; their temporary absence of the possibility of restoring the work of destroyed and damaged factories; lack of and limited access to material and technical resources; changes in the structure and reduction of cultivated areas of agricultural crops; damage to plantations and crops; increasing risks of loss of means of production, harvest, livestock and finished products, etc.

The hostilities and the limited access of small producers to resources have negatively affected the production of agricultural products in all regions of the country, but the areas where hostilities are taking place will be the most affected. The production of vegetables, fruits, berries, melon crops, and poultry products will decrease the most in Mykolaiv, Kherson, and Zaporizhzhia regions.

In the conditions of hostilities, the primary task of the Ukrainian agricultural sector was to provide the population with agricultural products and food. Farmers and small agricultural producers provided food for both their own families and internally displaced persons, thus proving the sustainability and possibility of ensuring the existence of small producers. During the introduction of martial law, when store shelves were empty, urban retail food markets did not work, small agricultural producers became almost the only supplier of vegetable and dairy products for the local population.

In 2022, the decline in production of small agricultural producers in rural areas, from which the population was not completely displaced due to military actions, is insignificant, which partially compensates for the loss of production by large agricultural enterprises.

Household activities are tied to a specific rural area, and work in the field or on the farm cannot be postponed indefinitely or postponed. However, production volumes decreased in some regions as a result of internal and external displacement of villagers from areas under full or partial control of the occupiers. In Ukraine, in the spring and early summer, the issue of providing vegetables has already arisen. Before the full-scale war, this function was performed by the southern regions. Due to the occupation of Kherson Oblast, Ukrainians experienced a shortage of vegetable products and high prices for radishes, potatoes, tomatoes, cucumbers, and cabbage.

One of the positive examples of the development of the dairy industry in the realities of war is the creation of a network of mini milk processing workshops, as well as cluster associations of milk producers and processors in the communities of Sumy region [1]. To implement ideas in the Sumy region plan to transfer 500 Simmental cows to private peasant farms and attract UAH 73.9 million in international and state aid. Attracting grant funds will make it possible to increase competitiveness and increase the volume of dairy processing products, in particular due to the active implementation of innovative technologies, improving the safety and quality of food products, increasing their assortment and creating conditions for healthy competition in the food market.

Households play a significant role in the production of agricultural products, food security of the state, their activity partially contributes to the solution of social problems of the village, establishment of sustainable development of rural areas and support of the income of the rural population.

In the conditions of hostilities, farmers and small agricultural producers provided food for the local population and internally displaced persons, thus proving the stability and possibility of ensuring the existence of small producers. The consequences of the war will be felt in the agricultural sector for years to come.

REFERENCES

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