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CONTENTS

ECONOMIC SCIENCES

| | |
|---|----|
| Revenko E.M. PROSPECTS FOR CREATING AN ECOLOGICAL CLUSTER IN THE REPUBLIC OF CRIMEA | 3 |
| Volontyr L. ECONOMETRIC MODELING OF POPULATION EMPLOYMENT INDICATORS IN UKRAINE | 4 |
| Bohdaniuk O., Hryhorievych A., Bohdaniuk O. SOCIO-ECONOMIC DEVELOPMENT ASSESMENT OF UKRAINE IN A PANDEMIC | 12 |
| Грищук Н. КРЕДИТУВАННЯ СІЛЬСЬКОГОСПОДАРСЬКИХ ВИРОБНИКІВ В СУЧАСНИХ ЕКОНОМІЧНИХ УМОВАХ | 16 |
| Hryshchuk N. LOANS TO AGRICULTURAL PRODUCERS UNDER MODERN ECONOMIC CONDITIONS | 16 |
| Зарбалізаде Е. РОЗРОБКА ПРОЦЕДУРИ СЕГМЕНТАЦІЇ ПОДОРОЖУЮЧИХ У ПРИМІСЬКОМУ СПОЛУЧЕННІ..... | 23 |
| Zarbalizade E. DEVELOPMENT OF THE TRAVEL SEGMENTATION PROCEDURE IN A SUBURBAN COMMUNICATION | 23 |
| Зарипов Р.Р. ПРОГНОЗИРОВАНИЕ БАНКРОТСТВА ЭНЕРГЕТИЧЕСКИХ ТРАНСНАЦИОНАЛЬНЫХ КОМПАНИЙ С ПРИМЕНЕНИЕМ ФИНАНСОВЫХ И НЕФИНАНСОВЫХ ПОКАЗАТЕЛЕЙ | 29 |
| Zaripov R.R. FORECASTING BANKRUPTCY OF ENERGY TRANSNATIONAL COMPANIES USING FINANCIAL AND NON-FINANCIAL INDICATORS | 29 |
| Kysh L.M. USE OF INFORMATION SYSTEMS AND TECHNOLOGIES BY AGRICULTURAL ENTERPRISES: CURRENT TRENDS AND PROBLEMS | 33 |
| Koval L.V. ORGANIZATION OF CONTRACTUAL WORK IN THE CONDITIONS OF FEA OF THE ENTERPRISE..... | 40 |
| Красняк О.П. РИЗИК-МЕНЕДЖМЕНТ ЯК ЕЛЕМЕНТ УПРАВЛІННЯ АГРАРНИМ ПІДПРИЄМСТВОМ..... | 46 |
| Krasnyak O.P. RISK MANAGEMENT AS AN ELEMENT OF AGRICULTURAL ENTERPRISE MANAGEMENT | 46 |
| Lohosha R.V., Pidlubnyi V.F. METHODOLOGY OF RESEARCH, EVALUATION AND MODELING OF VEGETABLE MARKET DEVELOPMENT IN UKRAINE | 53 |
| Titov D., Herasymchuk V. INCREASING THE INVESTMENT POTENTIAL OF RURAL UNITED TERRITORIAL COMMUNITIES..... | 65 |

Social factors also put a lot of pressure on the functioning of industry. Businesses gain stronger public scrutiny of their practices, especially with regard to environmental, social and management aspects of business and climate change.

Regarding the already existing impact of the pandemic on the financial condition of enterprises, we can analyze the data of the State Statistics Service on the financial results for large and medium-sized enterprises before tax. They are shown in Table 4.

Table 4

Financial results of large and medium-sized enterprises of Ukraine, mln. UAH

| Indicators | 2020 | 2019 |
|------------|-------|-------|
| Profits | 411,8 | 595,3 |
| Losses | 318,5 | 174,3 |

Regarding the data from 2020, it can be seen that the country's enterprises worked almost at the limit of their break-even point, which usually contributed to a decrease in production and job losses. Because operating at full capacity has become unprofitable for some. As a result, we obtain the above data on rising unemployment and declining consumer price indices and industrial indices.

Conclusions.

Therefore, analyzing the above data we can say that:

- the socio-economic development of Ukraine as a whole has been significantly affected by the pandemic, as its main indicators have decreased due to quarantine measures;
- it was quite difficult for enterprises producing industrial and agricultural products to work beyond their means. As a result, jobs were reduced and output was reduced so as not to obtain losses higher than profit;
- in order to maximize profits during a pandemic, producers were forced to raise prices and, as a result, increased the price index of industrial products;

- quarantine measures, which forced most productions to stop their work, significantly affected the volume of production and as a result we have a decrease in industrial production indices;

- the average monthly wage increased due to the reduction of employees, but the average monthly arrears of payments increased. As a result, the solvency of the majority of the population has also decreased;

- socio-economic development has slowed down a bit, but now that the virus seems to be retreating, it is trying to regain its former position.

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Гришук Надія

кандидат економічних наук,

Вінницький національний аграрний університет,

Україна

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КРЕДИТУВАННЯ СІЛЬСЬКОГОСПОДАРСЬКИХ ВИРОБНИКІВ В СУЧАСНИХ ЕКОНОМІЧНИХ УМОВАХ

Hryshchuk Nadiya

candidate in economics,

National Agrarian University of Vinnytsia,

Ukraine

LOANS TO AGRICULTURAL PRODUCERS UNDER MODERN ECONOMIC CONDITIONS

Abstract.

The proposed publication examines, analyzes the current state of loans to the agro-industrial complex by banking institutions, stimulating its development by the state, as well as proposals and recommendations for more effective financing of the agricultural sector of Ukraine under modern economic conditions.

Анотація.

В запропонованій публікації проаналізовано й досліджено поточний стан позик банківськими установами агропромислового комплексу, стимулювання його розвитку з боку держави, а також надані пропозиції та рекомендації щодо більш ефективного фінансування аграрного сектору України за сучасних економічних умов.

Ключові слова: *агропромисловий комплекс, банківський кредит, державна підтримка, банківські продукти, кредитні програми, програми аграрного розвитку.*

Keywords: *agro-industrial complex, bank credit, state support, banking products, credit programs, agricultural development programs.*

Introduction and statement of the problem The agricultural sector in the world is a priority and of vital importance in the sector of the economy, where government intervention is a regularity rather than an exception. Specific reasons for state intervention in agricultural production change over time, as do the nature of the economic spheres in which agriculture operates, which forms food and, within limits, economic, environmental and security. energy, ensures the development of technologically linked sectors of the national economy and creates socio-economic conditions conducive to rural development [1].

So far, the national economy is mainly supported by the agricultural sector. But agricultural enterprises need funds to finance their current activities, the introduction of new technologies, the insurance of existing risks, the development of trade and transport infrastructure. To this end, own and new financial resources are used after all, in the presence of a significant number of financial instruments on the Ukrainian market, the agricultural sector "feels uncomfortable" with extremely limited access to these instruments.

Today's realities prove that the dynamics of agricultural credit are stable. However, the credit potential in agriculture is still not realized, which is still enormous. One of the main constraints to the development of the agrosector sector is the lack of cheap long-term loans. The reasons are known, in particular slow reforms, deep periodic devaluations with a new surge in inflation, cataclysms in the banking system, problems of protection of the rights of creditors.

Analysis of recent research and publications. Many scientists, in particular O. Hudz, M. Demyanenko, P. Laiko, R. Slavyuk, M. Malik, G. Kaletnik, L. Vdovenko, O. Radchenko, have devoted their work to the study of the sketched problems of agriculture. Despite their titanic achievements and scientific explorations, the credit of agricultural producers, their financing and their provision on time and require more in-depth scientific reflection.

The purpose of the scientific publication is to describe the current state of loans to financial support of the agricultural sector, to stimulate its development by the state and to provide suggestions and recommendations for more effective financing of enterprises in the Ukrainian agricultural sector.

Search results. In Ukraine, the agricultural sector and, above all, its leading sector - agriculture has always been among the priorities of agricultural economic development. Ukraine has a very high potential of natural agricultural resources.

Thus, Ukraine represents about 25% of the world's Chernozems and the area of agricultural land is 43 million hectares (72% of the total area of the country) [5].

The agricultural sector in Ukraine remains one of the key sectors of the economy, as it accounts for over 20 percent of the country's gross domestic product. In modern conditions, the operation of agricultural enterprises is impossible without attracting credit resources, as agriculture is a credit intensive industry. Credit to farmers is one of the most important external sources of farm business investment activities, along with budget funding.

For a stable functioning of the production process, agricultural enterprises must have certain stocks of material and financial resources. A natural phenomenon for companies in the sector is the formation of re-sources, mainly from their own sources.

Under current conditions, the main Ukrainian banks have updated the conditions of agricultural loans. Four major Ukrainian banks - Raiffeisen Bank Aval, OTP Bank, ProCredit Bank and Alfa-Bank - offer financing to farmers for the purchase of credit products on more favorable terms. Each of the affiliate loan programs has its advantages.

Therefore, the agricultural producer can choose the most relevant option for cooperation. The partnership program with Raiffeisen Bank Aval was launched recently and offers financing at special interest rates and without bank charges. Program conditions: loan amount of 300,000 hryvnias; interest rate: 0.01% per year for the first 5 months and 11.5% per year for the following 6 to 12 months; collateral: equipment, transport, real estate. In the direction of lower interest rates, the terms of the partnership programs for loans to farmers with OTP Bank, ProCredit Bank and Alfa-Bank have been updated.

The partnership program with OTP Bank is implemented with the support of the IFC (International Financial Corporation) within the framework of the Agro Factory project. Its characteristic is the speed of obtaining financing for the public client of the agricultural sector. The bank offers the financing amount from 2 to 15 million hryvnias, and the agricultural producer receives the funds on the 9th day after submitting the request. For OTP Bank customers, two variants of partnership modalities are offered: Reduced rate for the entire duration: 7 to 9% per year for a loan period of 1 to 9 months; 0.01% per year for the first 5 months of the loan and another 13% -15% per year (depending on the guarantee provided) with a loan term of up to 12 months. It should be noted that such a set of loans from OTP Bank has worked successfully in the field of agricultural loans for the fourth consecutive year.

ProCredit Bank offers an individual approach for buyers of agricultural products, with the option to defer the first loan interest payment for up to 11 months. Agricultural producers receive funds on the following conditions: the loan amount can reach up to 2 million hryvnias; interest rate: 0.01% per year for the first 6 months, 3% per year for the 6th-9th month and 5% per year for the 10-12th month the guarantees will be: agricultural machinery, vehicles, equipment, real estate.

The loan conditions with Alfa-Bank are loans to agricultural producers in the amount of up to 7.5 million UAH without collateral, with interest rates: 0.01% per annum for the first 5 months, then 19.5% per annum for the 6th to 12 months collateral for a loan of more than 7.5 million hryvnia: real estate, vehicles, equipment. The agricultural market of Ukraine is characterized by constant dynamics, which leads to changes in agribusiness lending trends. That is why in recent years, banks are developing new types of financing of the agricultural sector, which are aimed at minimizing risks and creating optimal conditions for cooperation.

The main risks of banks financing the agricultural sector are, first of all,

difficulties in agricultural enterprises forecasting their money flows. Adjustments to their activities make unpredictable weather conditions, change market situations, logistics problems, etc. Statistics show that despite the risks, banks want and lend agribusiness. Commercial banks now provide loans to farmers under the programs lending. The main ones are: lending to replenish working capital (on purchase of fertilizers and livestock, repair of equipment and wages to employees); loans for the purchase of agricultural machinery; loans for investment projects (for the construction of fixed assets such as elevators, warehouses, etc. and to purchase equipment for them). The bank's interest rates often depend on the conditions specific agreement (type of loan, its term, the currency in which the loan is issued, as well as from the financial condition of the borrower).

Key domestic banks understand the prospects of agriculture lending. Therefore, they already have special agribusiness lending programs, as well as loans to the agricultural sector in the total loan portfolio of these banks occupy 30–50%. OTP Bank offers four types of

credit programs for agribusiness, which finance not only farmers but also traders, seed suppliers, fertilizers, plant protection products, machinery, fuel (credit limit from 25 thousand UAH to 30 UAH million with a rate of 9.5–17%).

Raiffeisen Bank Aval has four types of agricultural credit programs, which are financed mainly by farmers who cultivate from 100 to 50,000 and more hectares, as well as those engaged in animal husbandry and poultry farming (credit limit from UAH 50,000 to UAH 10 million with a rate of 16%).

Privatbank provides loans for the entire range of agricultural activities, including purchase of machinery and materials for sowing (credit limit from 500 thousand UAH. up to UAH 20 million with a rate of 19% per annum). According to the NBU, the balances of loans in bank accounts as of end-December In 2019, they amounted to UAH 743.38 billion, of which 55.65% were loans provided in the national sector currency, and 44.35% - in foreign currency. At the same time, only UAH 57.05 billion of them. (7.6%) - loans to agricultural, forestry and fisheries enterprises (Table 1)

Table 1.

**Loans to non-financial institutions, by type of economic activity and maturity
(balances at end – December 2019)**

| Types of economic activities | Total | Including | | Including | | |
|------------------------------|---------|--------------------------|-------------------------------|--------------|-------------------|--------------|
| | | In the national currency | In a foreign country currency | Up to 1 year | From 1 to 5 years | Over 5 years |
| Total | 743 380 | 413 690 | 329 690 | 367 124 | 238 771 | 137 484 |
| Rural, forest and fisheries | 57 055 | 40 763 | 16 292 | 24 501 | 29 682 | 2 872 |

Short-term bank loans are dominated by short-term ones loans, and the share of long-term loans is only 5%. This is, first of all, associated with political instability, negative inflation expectations and low level of public confidence in commercial banks.

Along with the dynamics of lending to the agricultural sector will be appropriate consider trends in the level of profitability of agricultural enterprises and interest rates on loans. The main conditions for granting bank loans are a good financial condition of the borrower, a positive credit history, the availability of equity, the presence of a current account in the bank and constant cash inflows, the availability of two or more sources to repay the loan and insured mortgaged property. Loans provided by the banking system of Ukraine the largest share falls on loans to businesses (in 2019 this figure is 80.4%), the level of penetration of gross loans to businesses to GDP is reduced from 51.7% in 2014 to 25.8%, and net loans - from 44.7% in 2014 to 13.3% in 2018.

The main deterrents to lending to agricultural enterprises, in my opinion, are the following: “by the lender: high interest rates; unacceptable requirements for collateral; reluctance of banks to lend to newly established enterprises and small and medium-sized businesses; increased requirements for financial reporting; and on the part of the borrower - a negative image of the company or a questionable credit history; discrep-

ancies in the information provided to the bank, including financial documents; little experience in running agribusiness; creditworthiness of the enterprise and industry; problems with the received reimbursement of part of the interest rate; dependence of borrowers' solvency on force majeure (weather conditions, depreciation of fixed assets, non-diversified business, lack of long-term loans), low culture of borrowers with loans and lack of necessary experience of borrowers on the market of credit services in the field of small agribusiness specifics of the production process in agriculture necessitates the implementation of the organization of credit servicing agricultural producers of certain requirements regarding the procedure for repayment of the loan and payment of interest for its use. Banks must keep in mind that all credit payments obligations of agricultural producers should be carried out in moderation receiving revenue from the sale of agricultural products, the timing of which varies depending on specialization farms.

Today, commercial banks have a head start in terms of innovative approaches to financing agricultural producers and farmers, as well as state support.

Another factor hampering cooperation is the need for banks to change their own regulations in order to interact with the financial system.

In the event of an application to several banks, they compete with each other: whoever first offers him

the most favorable conditions, he concludes a loan contract with him. At the same time, an important point is usually a complete and reliable set of accompanying financial documents, which allows you to consider yourself a potential consumer of banking services.

In addition, banking institutions prefer to finance large agricultural productions. For the following reasons:

- availability of organized financial statements for large companies;
- availability of sufficient and modern guarantees for loans;
- diversification of the activities of large companies, which can compensate for possible losses in one of the activities;
- ignorance and lack of technologies for the financial analysis of agricultural enterprises;
- lack of specialists to work with small agricultural enterprises (it is more profitable for banks to issue large loans at relatively lower labor costs), etc.

Commercial banks are fairly loyal to the circumstances that some customers have found themselves in due to the drought, which allows for some late payments. However, for 2021, commercial banks do not see a rate cut on these problematic issues. This is due to the difficult economic situation caused by many negative phenomena. The preferential credit programs of representatives of the agrarian branch are effective to-day.

Credit guarantees are provided on loans to micro and small enterprises which do not have sufficient assets to transfer them as collateral for the loan or which are characterized by increased credit risks, such as start-ups.

Thanks to credit guarantees, the state covers part of the credit risk through the Entrepreneurship Development Fund, creating the conditions to attract a bank loan.

Government assistance in the form of credit guarantees is only provided in combination with assistance in the form of interest compensation on loans that meet program requirements.

Financial support for measures in the agro-industrial complex by reducing the cost of loans.

Support is provided to companies in the agro-industrial complex - legal and natural persons - entrepreneurs who:

- carry out activities in the livestock industry and use credit funds to cover current costs and capital (investment) costs associated with carrying out activities in the livestock sector;
- have a net income (income) from last year's sales up to 20 million UAH, - for all types of agricultural activities.

The state compensates these business entities up to 1.5 of the NBU discount rate, but not more than the amounts stipulated in the loan agreements, reduced by 5 percentage points.

Interest rates are compensated for: short-term loans to cover production costs; medium and long-term loans raised for the purchase of fixed agricultural production assets, the imple-

mentation of costs related to the construction and reconstruction of agricultural production facilities.

Compensation for borrowers is provided by an authorized bank.

To optimize the support program and ensure transparency, a limit on the amount of compensation has been introduced:

- up to 15 million UAH for 1 subject in breeding,
- up to 5 million UAH for 1 entity with an annual turnover of 20 million UAH maximum.

Provide loans to farms.

It is provided on a repayable basis in an amount not exceeding 500,000 UAH, with a commitment to re-turn the budget for a maximum period of 5 years.

At the same time, in order to facilitate the access of micro and small enterprises to bank loans, at the initiative of the President of Ukraine, the state credit program "Affordable loans 5-7-9%" was introduced.

State aid takes the form of partial compensation for interest rates on loans.

The program has three interest rates (depending on the date of establishment of the company and its annual turnover): 5% per annum - if the turnover reaches 50 million hryvnia and creates at least 2 jobs during the first quarter; 7% per annum - for companies with revenues not exceeding 50 million UAH; 9% per annum - for companies with revenues of 50-100 million hryvnias.

The program provides funding for the following purposes:

- acquisition and / or modernization of fixed assets;
- carrying out of construction / reconstruction / repair works in the premises of the main economic activity (with the exception of office premises);
- financing of working capital.

The Ukrainian agricultural sector is important for the country's economy. Its main task is to guarantee food independence. More, The agro-industrial complex provides jobs for most of the rural population reduces the unemployment rate. Analyzing the state of affairs in the field of experts identified the main problems that slow down the development of the segment and require reform. For several years, the complex agricultural share in gross domestic product. Its figure is on average 22%, while in neighboring Belarus and Kazakhstan - 13%.

Agricultural products are of great importance for export. On it the share accounts for most of the country's sales. Agricultural products are of great importance for export. On it the share represents most of the country's sales. Volumes of shipments in the foreign market is growing every year, which contributes significantly to the economy of the country.

More than 50% of the total fund of consumer goods is represented national agricultural sector [10]. However, the potential of the industry is not disclosed, its economic potential is not utilized to maximum power.

More than 80% of the total production of fruit and vegetables products belong to small and medium-sized farms and certain crops (cherries, apricots, cucumbers, potatoes, green vegetables, garlic and others) - all

100%. Therefore, it is important to create the optimal conditions for the development of agriculture Ukraine will meet the domestic consumer market and come out with large volumes abroad.

And that is why Ukrainian agriculture and food industry play a very important role at national and international level; 23% are employed here population and use 71% of large land areas - 42.8 million hectares. Agriculture provides 18-25% of gross domestic product and 19% of export income; production is distributed roughly evenly between private farmers (52.7%) and corporate and public farms (47.3%).

Small farms and agriculture households provide 50% of all products of the agro-industrial complex of Ukraine.

About a quarter of these farms are engaged in commercial production (turnover exceeds \$ 1000), 40% of the products are focused on sale and domestic consumption, and 35% - exclusively for domestic consumption one of the important areas of state support is cheaper agricultural loans.

According to the results of the year, from the

planned allocations in the direction of cheaper loans, the Ministry of Economy, in accordance with the approved ordinances and submitted the registers of recipients of budgetary funds, effectively sent funds to authorized banks in the amount of 1047.7 million UAH or 99.9% of the planned, which were transferred to borrowers in current accounts.

Over 4.2 thousand borrowers who applied to licensed banks received targeted budget funds. The total amount of loans attracted by these entities amounted to more than 143.5 billion UAH, of which 24.8 billion UAH were indemnified at the expense of budgetary funds, of which:

- a) by type of loan:
 - short term - 11.6 billion UAH (46.7%);
 - medium term - 6.1 billion UAH (24.7%);
 - long term - 7.1 billion UAH (28.6%);
- b) by type of borrower activity:
 - livestock industry - 4.5 billion UAH (18%);
 - other industries - 20.3 billion UAH (82%) (see tab.).

Table 2

Attraction of preferential loans by economic entities of the agro-industrial complex of Ukraine in 2020

| Authorized banks | Number of companies credited | Attractiveness of subsidized loans | | | |
|----------------------|------------------------------|------------------------------------|--------------|-------------------|-------------|
| | | total | Short urgent | On average urgent | Long urgent |
| PrivatBank | 2026 | 1 681 642,6 | 869 865,2 | 435 680,0 | 376 097,4 |
| ProCreditBank | 251 | 3 027 989,9 | 1 563 800,9 | 143 600,2 | 1 320 588,8 |
| Crédit Agricole Bank | 139 | 1 418 861,9 | 833 489,0 | 308 747,4 | 276 625,6 |
| Raiffeisen Bank AVal | 763 | 8 503 107,3 | 4 404 188,6 | 1 645 497,8 | 2 453 420,9 |
| Oschadbank | 560 | 2 484 841,4 | 274 389,5 | 1 897 179,3 | 313 272,7 |

The main leaders among the regions where the most cleared loans are those of Odessa (91.6 million UAH), Kharkiv (71 million UAH), Ternopil (68.9 million UAH), Vinnytsia (66.5 million UAH) and Cherkassy (65.4 million UAH).

If we analyze the agro-industrial loan market in 2020, the total amount of loans attracted by agricultural entities was around 74 billion hryvnias. Of these, on preferential terms (subject to compensation) - 17.6 billion hryvnia, of which:

by type of loan, UAH:

- short term - 8.1 billion (45.8%);
- medium term - 4.3 billion (24.5%);
- long term - 5.2 billion (29.7%);

Of the total number of approved banks that signed a memorandum on general principles of cooperation from the Ministry of the Economy (36 banks), 33 banks participated in loan clearing.

Most of the loans were made by the following banks: Raiffeisen Bank Aval (UAH 112.2 billion, of which UAH 8.5 billion was repaid), Credit Agricole Bank (UAH 8.9 billion, of which UAH 1.4 billion was repaid) reimbursed), OTP Bank (5, UAH 2 billion, of which 1.6 billion UAH were indemnified), ProCredit Bank (3.9 billion UAH, of which 3 billion UAH were indemnified), Oschadbank (2.6 billion UAH, of which 2.5 billion UAH have been indemnified), Privatbank (1.7 billion UAH, all of which has been reimbursed) and Ukreximbank (1.6 billion UAH, of which 1.4 billion UAH have been reimbursed).

For the period 2018 – 2020 the share of credit funds in the resources of Ukrainian enterprises increased from 22.7% to 31.1% [15] (for comparison: the share of credit funds in the capital of foreign enterprises reaches 57.8% [1]).

These statistics are based on the fact that 2018 was economical unstable due to the global economic crisis and falling rates growth of China's economy, which is the largest trade for Ukraine partner, so companies were not able to generate the necessary profit to reinvest it. 2020 has become another test for business through the COVID-19 pandemic, which further forced businesses to turn to banks for lending capital needs.

Representatives of small and medium business in Ukraine do not receive the necessary funding, which limits its opportunities for development. It allows

to argue that it is the loan in such conditions - the most flexible form of meeting the temporary needs of the enterprise in cash costs. The average interest rates of banks, to which agribusiness companies attracted loans, were 18-22% per annum.

The average interest rates of the banks, to which agricultural enterprises attracted loans, were 14-16% per annum. We affirm that to date this rate is not significantly high compared to previous years, but this does not stimulate the agro-industry to take out loans. In addition, it should be noted that the NBU's discount rate today is only 6% per annum.

And the problem here is not only the large margin that banks are forced to take for loans, but above all the

high risk of the agro-industry, as well as the lack of effective business planning of projects that could offer loans. to financial institutions with much lower interest rates.

Compensation is paid to beneficiaries for interest accrued and paid for the use of loans in the current year at the rate of 1.5 of the discount rate of the National Bank, in force on the date of interest accrual, but not higher than the reduced loan agreement. by 1 percent-age point

To receive compensation, you must:

- Not to have filed for bankruptcy, not to be bankrupt, not to be in the process of liquidation.
- Not have overdue debts of more than 6 months towards the State budget, the Pension Fund and compulsory State social insurance funds.
- Do not seek compensation for loans entered into on contracts whose use interest is reduced by funds provided for other government programs.

Agro-compensation is provided to agro-industrial entities (legal persons and natural persons - entrepreneurs) for all types of agricultural activities. The amount of compensation is 1.5 of the discount rate of the National Bank, in force on the date of accrual of interest, but not higher than the amounts stipulated in the loan agreements and reduced by 5 percentage points.

For a business entity provides a limit of 5 million UAH.

Financial support for agricultural development

In 2020, 380 million UAH is provided. Mastered 0 UAH.

Funding areas:

- budgetary subsidy for the breeding of cows (5,000 UAH, but not more than 250,000 UAH, belonging to 5 cows, identified and registered in accordance with the law, for each cow available on July 1 of the current year);
- partial reimbursement of expenses related to agricultural advisory services provided (payment of 90% of the cost, but not more than UAH 10,000 for agricultural advisory services);
- budgetary subsidy per unit of cultivated land (1 ha) - to the newly created FG (3,000 UAH per 1 ha, but not more than 60,000 UAH per FG);
- agricultural services cooperative, which includes one or more FGs, by reimbursing 70% of the cost of machinery and household equipment purchased, at their own expense and on credit (up to 3 million per cooperative).

According to the analysis of information from the Ministry of Economic Development, Trade and Agriculture of Ukraine dated October 26, 2020, the State Support 2020 program has already sent around 762 million hryvnias to farmers for partial compensation of interest on loans. It was also approved to distribute UAH 257.4 million to agro-industrial entities for partial compensation of interest on loans. The funds will be received by more than 3.6 thousand borrowers who have submitted the necessary applications to authorized banks.

Regarding the financial support of measures in the agro-industrial complex by reducing the cost of loans,

there 1.2 billion UAH were provided, but 125 million UAH were disbursed.

Provided to legal persons and natural persons - entrepreneurs who:

- are engaged in animal husbandry activities and have used credit funds to cover current and capital (investment) costs associated with animal husbandry activities;
- carry out activities of other types of agricultural activity (except breeding).

Monthly for interest actually accrued and paid in the amount of 1.5 of the NBU discount rate. Volumes of support to borrowers engaged in livestock up to 15 million UAH, to other borrowers up to 5 million UAH.

It is evident that today the banking system and government policy do not lend to family farms. We have 76% of farms up to 100 hectares. However, of all farms, even 1% do not take out loans. It is difficult to say that the program will help in any way, because it affects the prospects of up to 3% of farms, and the rest - outside the program. We need a completely different financial and credit policy, which would cover 90% of farms.

The key innovation that laid preferential bases for lending to small businesses by Ukrainian banks - State Business Support Program "Affordable Loans 5-7-9 %", which was announced on 01.02.2020 with clear conditions and rules for business participation. The purpose of the program is to create effective lending conditions for small and medium-sized businesses.

The essence of the "compensatory" component of the Program, according to her authors, is to further reduce the lending rate:

interest rate of 7% or 9% per annum for the term lending applied interest rate is reduced 0.5% each new job created on the date of the latter day of the month of the reporting (previous) quarter compared to the date concluding a loan agreement, but in any case such the interest rate on the loan cannot be lower than 5% annual

After announcing the program, the main objectives of lending

the purchase of:

- 1) equipment was determined;
- 2) commercial motor transport;
- 3) commercial real estate.

Uniform conditions for granting concessions have been introduced for all banks participating in the program loans

At the beginning of 2021, the program "5-7-9" included 24 banks from total number - 74 [8]. Given that the average number per year issued loans per bank is 315 pieces, can be done.

Consultations are underway to expand the state "Affordable Loans 5-7-9%" program, it is proposed to create conditions such that the program could benefit small businesses, not just new businesses. The agricultural activity for the banks is the most interesting. State Business Support Program "Affordable Loans 5-7-9%" suggests that the effect of it will increase significantly subject to the implementation of the proposed changes to it. It will cause increase in the number of potential participants (minimum - up to 1,000,000), an increase in the total amount of loans granted UAH 1,103 billion and in practice will lead to the creation of new ones jobs,

national producer support and growth economy in general/

The outcome of state support in 2020 should be in the future to reduce the cost of loans and expand access to them, reduce imports and increase exports and other indicators of plant production and livestock.

We can say that the current situation in Ukraine requires new approaches to reforms and policy making in financial and economic activities.

In the current difficult conditions caused by both climate change and the economic crisis, agribusiness, like any other economic activity, cannot do without lending to the need for working capital. However, due to the relatively high risk of production and its low profitability, obtaining a loan at an interest rate that is economically acceptable to the owner of the agro-industry is still quite problematic. As a solution, you can choose two strategies: develop a diversified agribusiness or occupy a specialized niche. Otherwise, take the opportunity of public funding programs. Either way, there are pros and cons to consider when choosing a future business strategy for the agribusiness. Today, agriculture is positioned as a system-forming component of the national economy, which forms food and, within certain limits, economic, environmental and energy security. In recent years, the domestic economy has been supported mainly by the agricultural sector. For full-fledged work, agricultural enterprises need financing of their current activities, introduction of the latest technologies, insurance of existing risks, development of trade and transport infrastructure.

The key to the stable functioning and implementation of the innovation process in the activities of any business entity of the agro-industrial complex is financial support. In its understanding, the concept of financial security is an opportunity to provide the business entity with the necessary financial resources [2]. The essence of the researched concept is reduced to "the system of sources of financing, which includes means of the state and local budgets; insurance funds; loans; own funds of legal entities and individuals; voluntary contributions; other funds. »

Conclusions. One of the main problems (but not the only one) hampering the development of the agricultural sector is the lack of cheap long-term loans. The reasons are known, in particular the slowness of reforms in the years of independence, a deep periodic devaluation with a new surge in inflation, cataclysms in the banking system, problems of protection of the rights of creditors.

Our study, which characterizes the state of loans to agricultural training, allows us to conclude that bank loans are not able to fully meet the needs of agricultural enterprises in terms of credit resources; mainly bank loans are issued for short and medium term periods; regulation of the granting of credit to agricultural enterprises is ineffective and state support is insufficient; unsatisfactory volumes of credit resources in the agricultural sector due to strict conditions and high interest rates.

Of course, the money is not generated in banks or credit unions. They "grow" and multiply on earth. Therefore, they are not produced by financiers, but by agricultural producers. This is conceptually important, because in the agricultural credit system in a key place of agriculture. Financial institutions are called upon to

1. . 72-78.

serve them and do it well, in a modern way, by offering new successful products. Financial institutions must adhere to several principles. First of all, the bank must accept that it is agricultural forever. To be successful in agricultural lending, agriculture must be part of the banking. He must understand all the agricultural production processes, follow them in the current mode, be able to foresee them, foresee them and, above all, know the agro-industry better than its borrowers.

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