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УПРАВЛІННЯ КОНКУРЕНТОСПРОМОЖНІСТЮ І ТЕНДЕНЦІЇ РОЗВИТКУ СЕКТОРА ОРГАНІЧНОГО СІЛЬСЬКОГО ГОСПОДАРСТВА

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COMPETITIVENESS AND TRENDS MANAGEMENT DEVELOPMENT OF THE ORGANIC AGRICULTURE SECTOR

Анотація.

На сьогодні актуальним напрямком розвитку вітчизняного аграрного виробництва виступає органічне сільське господарство. Впровадження системи екологічного рослинництва, яка заснована на зниженні норм внесення мінеральних добрив і пестицидів, підтримці природної родючості, дозволить отримувати органічну продукцію і розширити спектр ринку для господарств не тільки на державному, а й міжнародному рівні.

Управління конкурентоспроможністю продукції аграрного сектора вимагає формування організаційно-виробничих структур, гнучких систем управління витратами виробництва, якістю і маркетингом продукції.

В даній статті досліджено фактори, які можуть впливати на конкурентоспроможність розвитку органічного ринку і підвищення інтересу до такої продукції з боку покупців.

Авторами визначені основні напрямки дій, які сприятимуть розвитку українського органічного ринку: правове регулювання органічного виробництва та визначення напрямів удосконалення вітчизняного законодавства для розвитку органічної сфери; сприяння розвитку освоєння сільськогосподарських угідь під органіку шляхом розвитку фермерства та формування збутової інфраструктури в Україні; розробка державної політики в області формування культури харчування населення; підготовка кадрів.

Abstract.

Today, the current direction of development of domestic agricultural production is organic agriculture. The introduction of organic crop production, which is based on lowering the rates of mineral fertilizers and pesticides, maintaining natural fertility, will produce organic products and expand the market for farms not only nationally but also internationally.

Managing the competitiveness of agricultural products requires the formation of organizational and production structures, flexible systems for managing production costs, quality and marketing of products.

This article examines the factors that may affect the competitiveness of the organic market and increase interest in such products from buyers.

The authors identify the main areas of action that will contribute to the development of the Ukrainian organic market: legal regulation of organic production and identify areas for improvement of domestic legislation for the development of the organic sector; promoting the development of agricultural land under organic farming through the development of farming and the formation of marketing infrastructure in Ukraine; development of state policy in the field of food culture; training.

Ключові слова: виробництво, ринок, розвиток, конкурентоспроможність, органічна продукція, органічне сільське господарство, експорт, потенціал.

Keywords: production, market, development, competitiveness, organic products, organic agriculture, export, potential.

Introduction.

Organic farming is one of the fastest growing sectors of agriculture in the world and especially in the

European Union. In the late 1990s, there was also a growing interest in this sector of agriculture in Ukraine.

Organic farming applies to all forms of land management as its most environmentally friendly form.

But organic production is more than just doing without chemicals. Organic type of production is not just products and everyday life, organic is a special philosophy. Organic production must be natural in everything, it means caring for nature, people and the world at all stages. Closed work cycles with a diverse structure are the basis and prerequisite for successful organic farming.

The goal of organic farming is to obtain clean, nutritious and safe for human health products, as well as to minimize or completely eliminate the negative impact of agriculture on the environment.

Our climate and natural resources (soil and water) are the wealth left to us by our wise ancestors and therefore, our main task is to preserve and pass it on to future generations. The organic market has prospects, as the audience of people dedicated to organic products in Ukraine is and will only grow in the future.

Formulation of the problem.

The need to ensure food and economic security of the country, meet the needs of the population in food and increase the socio-economic efficiency of agriculture put forward the task of increasing the competitiveness of the domestic agro-industrial complex. Without highly efficient and competitive agro-industrial production, it is impossible to solve many priority and strategic tasks for the development of the country's economy and the formation of a civilized agri-food market.

However, despite the importance and significance of this issue, the problem of improving the mechanism of managing the competitiveness of economic entities of Ukraine's agro-industrial complex remains, which requires its further comprehensive and in-depth study based on improving the scientific and methodological basis of the study. Therefore, the development of organizational and economic mechanism to achieve a high level of competitiveness of agricultural production is a very important scientific task, the solution of which is useful for management and economic practice.

Ukraine has favorable natural and climatic conditions, and having significant land resources, has sufficient opportunities for the formation of efficient agro-industrial production. At the same time, the realization of the competitive advantages of the industry with proper government support and investment is an important prerequisite for the development of the domestic agricultural sector on the innovation and technological path.

Competitive advantages are connected, first of all, with features of natural and climatic conditions. Their diversity, due to the geographical location of the country, leads to significant territorial differentiation in terms of providing its regions with natural resources, and the specialization of agricultural production and location of major centers of sale, storage and processing of agricultural products.

The ideas of organic production originated in the 1920s. At the same time, the first scientific studies began to appear, which were devoted to the study of the negative impact of crop chemistry on human health and the environment. Thus, in 1940, the term "organic" was first used in the book "Rely on the Earth" by the British

Walter Norzborn. The author believed that each farm should be a single organism with a balanced and full life, where living beings and plants should be in harmony with each other [8].

Organic farming is a well-defined way of farming and one of the modern world trends, which is actively gaining momentum around the world. This is a real modern phenomenon in the field of ecology and healthy eating. No other demand of society for a healthy diet and environment, favorable ecology, humane treatment of animals, has not formed into a global, working and steadily growing trade and production system. Today, the market for organic products is estimated at 100 billion euros. 2.8 million farmers around the world are organic on 71.5 million hectares.

Organic agriculture focuses on diversification and adaptive management to increase farm productivity, reduce dependence on changing weather conditions and, as a result, increase food security through farm-produced food or profits from their products.

The largest markets for organic products are the United States with € 40.6 billion, Germany with € 10.9 billion and France with € 9.1 billion, respectively, where the relevant certification and sales infrastructure for organic products has been established and is operating successfully.

The world community has developed and successfully applies the labeling of clean, healthy products. In particular, consumers in the United States and the English-speaking countries of the European Union, who are committed to a healthy diet, buy products labeled "Organic Product" or "Organic". In France, Italy, Portugal, the term "Biological Progress" is used. In Spanish-speaking countries, as well as in Denmark and Germany, the definition of "Ecological Progress" is used. Organic, biological, environmentally friendly products - such labeling helps consumers navigate the market.

In Ukraine, all these terms are also known, but from the point of view of consumers, the term "organic product" is considered the most acceptable.

Today, the development of the organic market in Ukraine is one of the main directions. The country, having favorable conditions for organic agriculture, has achieved positive results in the start of development of its own organic production. Ukraine ranks 20th in the world and 11th in Europe in the total area of agricultural land certified as organic. Over the past 5 years, they have increased by 54% and today amount to 421.5 thousand hectares. 48.1% are employed in grain cultivation (7th place among organic grain-producing countries). More than 16% are oilseeds (5th place in the world), 4.6% - legumes (7th place). 2% of land is occupied under vegetables (10th place), and 0.6% under fruit. In 2020, the number of operators of organic production in Ukraine increased by 17%, the number of processors of organic products increased by 33%, the number of producers who already have a labeled organic product in the offer for the final consumer increased by 7%.

Organic products are becoming increasingly popular not only around the world but also in Ukraine. So, in our country the certified organic production and

processing from year to year actively develop. However, most of the grown raw materials are sent for export, due to high demand from foreign consumers, as well as an attractive price.

Ukrainian organic products are mostly bought by EU countries. In 2019, Ukraine ranked 2nd out of 123 countries in terms of imports of organic products to the EU, rising two places compared to the previous year. Thus, in 2019, 3.24 million tons of organic agri-food products were imported into the EU, more than 10% of which are Ukrainian. At the same time, Ukrainian imports to the EU increased by 27% - from 265.8 thousand tons in 2018 to 337.9 thousand tons in 2019.

The largest consumers of domestic organic products are the Netherlands, Germany, USA, Switzerland, Italy, Great Britain, Austria, Poland, Czech Republic, France, Hungary, Romania, Belgium, Bulgaria, Lithuania, Canada and Denmark. Ukrainian producers also export to Australia and some Asian countries.

The main export products are cereals, oilseeds, berries, mushrooms, nuts and fruits. Sunflower meal, flour, sunflower oil, sunflower meal, apple concentrate and birch sap are also exported [1].

Comparing the international and domestic practice of organic agriculture, it should be noted that in some foreign countries the production of organic products has been developing for about 40 years, which is facilitated by public authorities, directly or indirectly supporting producers of such products [13, p. 26].

Given the global trends and guidelines of the EU Common Agricultural Policy, it is obvious that the production of organic products will create conditions for economic growth in our country, integration into the international community, increasing export potential, attracting modern innovative technologies aimed at preserving the environment [14].

The purpose of the article is to analyze the state of organic agriculture in Ukraine, as well as to highlight the problems of improving the mechanism of competitiveness management, trends and prospects for the development of the domestic sector of organic agriculture.

Analysis of recent research and publications.

In recent decades, agriculture around the world has had an increasingly negative impact on the environment than any other sector of the economy. This industry occupies huge areas, creating unstable landscapes. This destroys natural vegetation, including forests, disturbs water balance due to land reclamation, soil degradation is observed, groundwater and surface water are contaminated, and the fertile part of the soil is removed along with the crop.

Unfortunately, other negative consequences of the intensification of agriculture have become obvious. Among them are the most important: pollution of soils, water and atmosphere with mineral fertilizers, pesticides, heavy metals; accumulation of toxic substances in food; emergence of resistant races of pests and pathogens; increasing the clogging of fields with weeds; reducing yields and increasing production costs; biodiversity loss [17].

Ecoproduct is a product that does not contain genetically modified ingredients, preservatives, dyes, flavorings, etc. They are obtained in a clean area without the additional use of fertilizers, pesticides and other man-made influences. Special license symbols "Bio", "Eco", or "Organics" must be present on the packaging of such products.

The concept of the term "organic" together with "organic agriculture" was proposed by Lord Northborn in the book "A Look at the Earth" and also revealed an environmentally balanced approach to farming with regard to integrity and environmental friendliness [10].

EU legislation in its quest for the development of organic agriculture in the member states defines "organic" also through the concept of organic agriculture: "It is an agricultural method that aims to produce food using natural substances and processes. It means that organic agriculture has a limited impact on the environment and encourages: responsible use of energy and natural resources, conservation of biodiversity, preservation of regional ecological balances, increasing soil fertility, ensuring water quality" [12].

IFOAM provides a modern interpretation of the concept of organic, based on the definition of "organic agriculture", defined as a production system that supports the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and natural cycles adapted to local conditions, while avoiding the use of resources with adverse consequences. Organic agriculture combines tradition, innovation and science to improve the environment and promote fair relations and a decent standard of living for all of the above" [2].

In the modern scientific literature there are only a few works on the peculiarities of the mechanism of managing the competitiveness of agricultural enterprises - producers of organic products, which requires in-depth research in this area.

Research methodology. In studying the issues related to the improvement of the competitiveness management mechanism, trends and prospects of development of the domestic sector of organic agriculture, the works of domestic and foreign scientists, primary materials of the author's own research, periodicals were studied. Monographic, statistical-economic, computational-constructive, abstract-logical and other methods were used as research methods.

Results of the research.

Organic agriculture has environmental benefits in that it conserves natural resources while reducing emissions of carbon dioxide, nitrous oxide and methane, which contribute to global warming. Organic agriculture also has significant benefits for maintaining human health.

In recent years, Ukraine is gradually becoming a major player in the European and world markets for organic agricultural products. The number of domestic producers of organic products has increased 4.5 times over the past 10 years.

Organic movement in Ukraine is developed by: Federation of Organic Movement in Ukraine, Association "Pure Flora", Association "Poltava-

Organic", International Public Association of Bioproduction Participants "BIOLan Ukraine", Club of Organic Agriculture, Union of Participants of Organic Agriculture "Naturproduct" and many other organizations [8].

According to the monitoring conducted by the Ministry of Economy of Ukraine, in 2019 the total area of agricultural land with organic status and transition period amounted to about 468 thousand hectares (1.1% of the total area of agricultural land in Ukraine). There

were 617 operators of the organic market, of which 470 were agricultural producers [1].

In recent years, there has been a positive trend in Ukraine towards a steady increase in the number of producers of organic production and, accordingly, an increase in the area of agricultural land where certified organic production is carried out. For the Ukrainian market, this is a positive trend, which indicates an active filling of the domestic market with organic products and an increase in consumers of organic products (Table 1).

Table 1

**Dynamics of organic production in Ukraine,
(2015-2019) ***

Years	Number of farms, pcs.	Raincoat organic s.-g. lands, thousand hectares	The volume of the domestic consumer market, million euros	Volumes of exports of organic products to countries around the world	
				tone	thousand dollars USA
2015	210	410,5	17,5	237,4	65,0
2016	360	411,2	21,2	245,1	78,0
2017	375	420,0	29,4	254,0	102,0
2018	510	429,1	33,0	390,0	157,0
2019	617	468,0	36,0	469,0	189,0
2019 +/- until 2015	407	57,5	18,5	231,6	124,0

Source: calculated according to [2]

These tables show that in 2015 in Ukraine there were 210 farms that received the status of "organic", in 2019 there were already 617 organic farms, and the total area of agricultural land on which organic production is conducted increased by 57.5 thousand and amounted to 468 thousand hectares. Since 2015, Ukraine has seen a stable, annual growth of the domestic organic consumer market.

Following the results of 2019, Ukraine took the 1st place in Europe and the 2nd place in the world (out of 123 countries) in terms of the volume of exported organic products to the EU, rising by two places compared to the previous year. This is stated in the just published annual report of the European Commission "Imports of organic agri-food products into the EU: key changes in 2019." Ukrainian imports to the EU increased by 27% - from 265,817 tons in 2018 to 337,856 tons in 2019.

Most of Ukraine exports to the EU:

- cereals (except rice and wheat, 76.9% of cereals of Ukrainian origin);
- wheat (31.8% from Ukraine);
- oilseeds (except soybeans, 18.2% and second place after Turkey);
- soybeans (4th place and 13% of soybean imports from Ukraine);
- fruit (11% and 3rd place).

Ukraine is also one of the largest exporters of cake, fruit juices and vegetables, which are the main export products. In general, imported organic products account for about 2% of total imports of agri-food products to the EU [11].

In recent years, there has been a trend of active filling of the domestic market with domestic organic products by establishing their own processing of organic raw materials [1].

A large number of Ukrainian farms with organic status are located in Kyiv, Kherson, Odesa, Vinnytsia, Poltava, Khmelnytsky, Zakarpattia, Zhytomyr, and Lviv regions. The top ten producers of organic products include: World of Bio ("Lybid-K") - the company produces organic eggs; "Golden Parmen" - the company produces juices of direct extraction from its own raw materials, as well as engaged in horticulture, vegetable growing, growing cereals in the Chernihiv region; "Mol'far" - the company specializes in the production of Cypriot tea, the process of which includes six stages: collection, drying, fermentation, oxidation, roasting, packaging; Organic Milk (Galex-Agro) - the company produces organic honey, milk and meat under the trademarks Organic Milk and Organic Meat; "TM Skvyryanka" - "Skvyrsky plant" of bakery products sells organic buckwheat, oatmeal, corn grits, flour and flakes; "Liluck" - the company is a leader in the production of organic birch sap; TM "Ethnoproduct" - Ukrainian-Swiss agricultural enterprise produces meat and milk; Organico (Casper) - the company produces sunflower, flaxseed, rapeseed, and unrefined cold-pressed rye oil, which is packed in glass containers; "LiQberry" - the company produces and sells organic berry paste; Ecorod ("Organic Original") - the company sells flour, oatmeal, buckwheat, millet, semolina, beans, watermelons [4].

Poltava region is among the top five regions of Ukraine engaged in organic farming, production of organic food and plant protection products. The total area of land used for organic production in the region is 33.2 thousand hectares, which is about 2.0% of the arable area of Poltava agricultural land.

The most popular area for organic production is crop production. It is certified in 23 farms, of which up to 100 hectares - 8 companies; up to 500 ha - 2 enterprises, more than 500 ha - 11 enterprises, 4 enterprises

engaged in the processing of organic food and 2 enterprises in the production of organic fertilizers and plant protection products [11].

According to [3], in 2020 the number of operators of organic production in Ukraine increased by 17%, the number of processors of organic products increased by 33%, the number of producers who already have a labeled organic product in the offer for the final consumer increased by 7%.

Ukraine ranks 20th in the world and 11th in Europe in the total area of agricultural land certified as organic. At the same time, almost half of the certified organic lands in Ukraine are occupied by grain growing - 48.1%, which is the 7th place among the main countries-producers of organic grain. More than 16% of such lands are oil - 5th place in the world, and another 4.6% legumes - 7th place. Next on the list are vegetables - 2%, where Ukraine ranks 10th, fruits - 0.6% and grapes - 0.1% [9].

According to experts, the market for organic products in the world is constantly growing.

Production of organic products is one of the most profitable and investment-attractive types of agricultural business in Ukraine. According to the American Commercial Service [15], the average return on investment in Ukrainian organic farming is about 300%.

Motivation for the consumption of organic products in Ukraine is:

- environmental food safety;
- high quality and freshness of products;
- the best taste properties of organic products;
- preservation of the natural environment in the production process;
- absence of genetically modified organisms.

One of the important issues for the development of the organic market in Ukraine is the need to regulate the regulatory framework that will ensure the activities of producers in accordance with domestic organic standards with appropriate control by both certification bodies and the state. Thus, in 2019, the Law of Ukraine "On Basic Principles and Requirements for Organic Production, Circulation and Labeling of Organic Products" entered into force.

In accordance with the Law of Ukraine and in order to improve the legal regulation of organic production in Ukraine to the legal norms of the European Union, EU directives and regulations are taken into account, which allow to adapt Ukrainian legislation to European; improved requirements for the production, labeling and circulation of organic products; the provision on assessing the suitability of land for the production of organic products, which was contrary to international practice, was removed; the principles of production certification have been radically changed; the requirements to the certification bodies, the inspector for organic production have been significantly improved; specified responsibility for violations of legislation in the field of production, circulation and labeling of organic products, both for producers and for certification bodies, etc. [6].

Despite the positive examples of financing of organic producers in the leading countries of the world, in Ukraine the state support for the development of the

organic sector of agro-industrial complex and food industry is not progressing at the highest pace. Although there are already significant developments in the regions. The practical experience of some regions confirms that there are excellent opportunities at the level of regional and district budgets to adopt regional development programs with the allocation of certain financial resources to compensate for certain costs of organic producers. Examples of this are Lviv, Poltava, Chernihiv regions.

The relatively low economic condition of Ukraine's current agriculture is due to its low competitiveness, but this can be remedied if the state provides significant support. As you know, the domestic agro-industrial complex provides food and economic security of the country, so the refusal of state support for this industry, as non-competitive, is simply impossible.

The main goal of the development of the agricultural sector of Ukraine's economy is to achieve competitive innovative self-sufficient and export-oriented agricultural production, which in turn will be able to ensure food security of the country. But to achieve this goal it is necessary to solve a number of problems, such as:

- creation of institutional and infrastructural environment;
- creation of an innovation environment, which also includes the introduction of innovations;
- improving the investment climate;
- development of science and scientific support;
- training of highly qualified personnel [16].

The main factor in shaping the competition strategy at the enterprises of the agri-food sector is first of all quality and price, brand, modern technologies and distribution network, convenient for customers. However, it should be noted that other instruments of competition, such as loyalty, professionalism, timely delivery, and environmental impact are becoming increasingly important. However, it should be borne in mind that there are differences in the formation of competitiveness in the industries that make up the agri-food sector. This is primarily due to the specifics of production, the number of enterprises in the industry and the constant structural changes in the industry.

In recent years, we have seen an increase in the interest of Ukrainian agricultural producers in the transition to organic farming methods, as evidenced by the proportions of agricultural producers and the increase in their number on development issues. There is a widespread opinion about high prices for organic products. Of course, the price factor is always important for consumers. On the one hand, high-quality products are not cheap. On the other hand, healthy consumption cannot be the prerogative of rich people, but must be available to the majority of consumers.

Different countries use different terms to denote agricultural practices that comply with the principles of organic agriculture:

- organic agriculture (agriculture) - England, USA, Ukraine;
- organic agriculture - Austria, Germany, Georgia, Switzerland, Italy, France;
- natural agriculture - Finland;

- organic agriculture - Sweden, Norway, Denmark, Spain;
- ecologically clean agriculture - Estonia [4].

The principles established by IFOAM are accepted as the basic principles of ecological economy (tab. 2).

Table 2

Basic principles of organic production

Principles	Components
The principle of health	- Organic agriculture must maintain and improve the health of soil, plants, animals, humans and the planet as a whole and indivisible whole. In accordance with this principle, the use of mineral fertilizers, pesticides, animal veterinary drugs and food additives that may have a negative effect on health should be avoided.
The principle of ecology	- Organic agriculture should be based on the principles of natural ecological systems and cycles, working, coexisting with them and supporting them. Producers, processors, traders, and consumers of organic products must protect and safeguard the environment, including landscapes, climate, habitat, biodiversity, air and water.
The principle of justice	- Organic agriculture should be based on relationships that guarantee justice, taking into account the interests of the environment and living opportunities. This principle emphasizes that all those involved in organic agriculture must adhere to the principles of humanity in a form that guarantees justice at all levels and for all parties - farmers, workers, processors, distributors, sellers and consumers. This principle states that animals should be provided with conditions and opportunities for life that are consistent with their physiology, natural behavior and health.
The principle of care	- The management of organic agriculture must be preventive and responsible for the protection of the health and well-being of both present and future generations and the environment. This principle states that prudence and responsibility are key components in the choice of management methods, development, and receptive technologies of organic agriculture. Organic agriculture must prevent risks by using appropriate technologies and refusing to implement some of them if the consequences of their use are difficult to predict, such as genetic engineering.

Source: compiled by the authors based on the source [8]

These principles, in our opinion, should be used as a whole and be aimed at specific actions that are the basis for the development of organic agriculture in our country.

International experience shows that the development of organic agriculture depends on a number of factors such as: the presence of a developed and efficient functioning of organic production, favorable and

stable market conditions, the organization of the movement to support organic agriculture and a set of measures to develop the sector.

In the table. 3 presents the factors that ensure the transition to organic farming methods and the main difficulties facing agricultural and processing enterprises.

Table 3

Factors that can move to organic management methods and the main difficulties facing enterprises

Reasons	Difficulty
Ability to sell products at higher prices. Improving the competitiveness of products by improving quality. Increasing export potential due to increased demand for organic products in foreign food markets. Use in crop rotations of various legumes and cereals that can solve the problem of feed and maintain nitrogen levels in the soil. Opportunity to rationally use labor resources and increase the company's profit through the organization of in-house processing and direct marketing. Concern for the environment and human health.	Psychological complexity of the transition to new management methods after many years of practice of traditional agriculture. Organic farming is more difficult than traditional: the probability of making mistakes by the producer increases, which can significantly reduce yields, increase plant morbidity, weed infestation and plant infestation pests. Low level of information and knowledge about methods and approaches of organic production. Additional delays for certification.

At the same time, there are many agricultural enterprises in Ukraine that are ready to sell clean, healthy products, but are not able to position them on the market as organic. Some of them certify and sell their products abroad, some - in the domestic market, but as usual [7].

Organic food is a little more expensive than food grown in the usual way, but if you set some priorities, you can buy organic food and stay within the family budget.

To make organic food more commercially available to consumers, it is important to invest in the processing and distribution of organic products, and to inform and explain to consumers the importance of natural food for both their health and the environment.

In this regard, in our opinion, at the state level it is necessary to implement programs for the development of the agricultural complex of the country by developing and supporting organic production, which will be

aimed at: preserving and improving soil fertility; ensuring the competitiveness of Ukrainian products in the context of Ukraine's integration into the world economic space; promoting the health of the nation by providing the population with quality and safe certified organic food and other goods; environmental protection and biodiversity conservation; creating appropriate conditions for rural development.

The study found that the market for organic products is quite competitive and the main constraints (low productivity and high retail prices) are offset by a set of environmental, social and some economic benefits. We share this view, even if we adhere to the position of the uncertainty of the benefits of organic products as a factor in healthy eating and the debatable fact of its lower cost.

Assuming these new limitations, it is necessary for objectivity to recognize the presence of clearly unselected or previously unaccounted for favorable factors (restoration of soil fertility in organic farming, greater adaptability to the negative effects of global climate change, saving non-renewable hydrocarbon resources, humane treatment of agricultural livestock), ethical criterion, which is also part of the structure of social criteria), supporting the overall positive assessment of the competitiveness of the organic market.

In conclusion, it should also be added that the competitiveness of enterprises in the agricultural sector of Ukraine's economy is based not only on such factors as price and quality of goods in the classical sense. The consumer expects a product (product) that will perform, in addition to the main functions, also environmental functions. A successful entrepreneur can live up to these expectations by incorporating pro-environmental elements into the strategy of managing the production and sale of organic products.

Conclusions.

Sustainable consumption is a strategy that operates on the basis of the use of natural and ecological resources and appropriate production technologies while preserving natural capital for future generations.

Food supply is one of the important elements of sustainable consumption. The growing number of organic farmers and the size of cultivated areas give hope that in the near future the range of organic products offered on the domestic market will increase significantly. The development of domestic organic farming is an opportunity both for sustainable agricultural production and for the consumption of this product.

The growth of production and consumption of organic products helps to improve the quality of life of the population and ensure its employment in rural areas, as well as increase the income of agricultural enterprises. The general problem of reducing the level of yield in farms that turn to organic farming in the transition period is solved by direct state support (payments per hectare) along with preferential taxation and concessional lending, as well as indirect state support for organic production: product certification, insurance, laboratory research.

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