

an appropriate infrastructure which would carry out scientific, financial, informational, consulting, marketing and other support innovation projects. Innovation infrastructure is defined as a system of interrelated and mutually reinforcing organizations of different orientation and of different organizational and legal forms, which regulate their interaction that provides innovation in every area, research and development being one of them.

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*Maryna Makarenko*

*Vasyl' Stus Donetsk National University*

*Vinnytsia*

*Research Supervisor: N. Yu. Ishchuk, PhD in Pedagogy, Ass.Prof.*

*Language Supervisor: N. Yu. Ishchuk, PhD in Pedagogy, Ass.Prof.*

## PROBLEMS AND PROSPECTS OF AGRICULTURAL DEVELOPMENT IN UKRAINE

**Introduction.** Ukraine, unlike many countries of the world, has a high natural-resource potential for intensive farming development. About 1/10 of all fertile black soil of the world is concentrated on the territory of our country and the climatic conditions are favorable enough.

**Review of recent publications.** The problem of ineffective agronomy has been studied by such scientists as I. Zahreba, P. Sabliuk, B. Dadashev, A. Duhnevych. A. Pikus, P. Chorni, Ye. Oliynyk, A. Burkovska, T. Lunkina dedicated their works to agroindustrial complex of Ukraine.

**Objectives of the paper.** The paper aims to study the state and problems of national agriculture, to suggest possible solutions to its posers.

**Results of research.** Agriculture in Ukraine is developing rather slowly. Over the last decade (from 2006 to 2016) sown areas of main agricultural crops have reduced from 24 504 thousand hectares to 24,452 thousand hectares (fig. 1). There has been a significant reduction in farmland under sugar beet (by 64.2%) and forage crops (by 41.1%), and sugar beet production has declined by 37.5% [1].

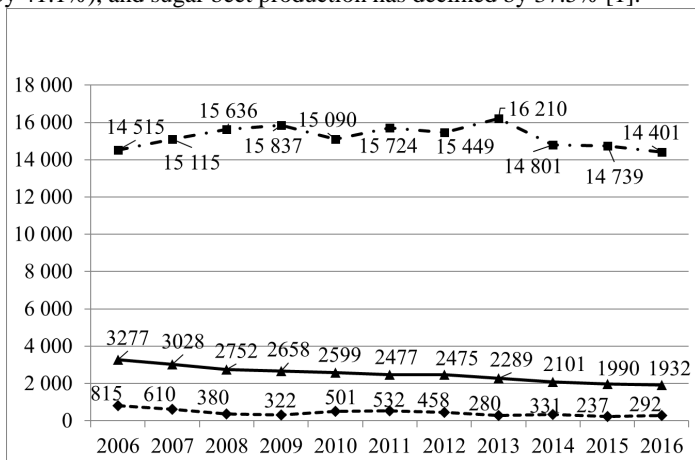


Fig.1 The area under cultivation of major crops, thousand hectares

Source: created by the author based on [1]

Regarding animal husbandry, there is a decrease of all types of herd, except pigs and poultry (fig. 2). In particular, animal husbandry of cattle has reduced by 42.4%, with cows reduction making up 40.4%, sheep and goats – by 18.7% [1].

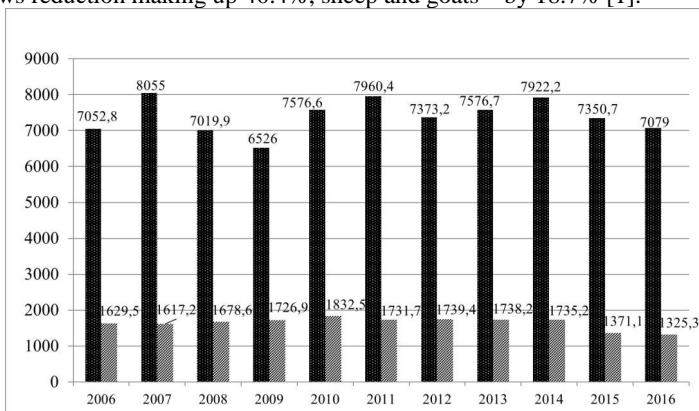


Fig.2 Number of livestock and poultry, thousand heads

Source: created by the author based on [1]

The development of farming in Ukraine is slowed down by a number of *factors*.

1. The low level of mechanization of production processes (especially in growing technical crops).

2. Depreciated agricultural machinery which makes animal husbandry and crop production resource-intensive, power-consuming and low efficient. This leads to an increase in prices of these goods in global and domestic markets and reduces their competitiveness.

3. Imperfection of interaction between the banking and agricultural systems: agricultural enterprises find it difficult to start their business activities because of a high interest rate and the fear of losing all their property.

4. The absence of long-term strategy and wise government policies regarding public investment in agro-industrial complex. In 2014, more than \$245 mln of foreign direct investments were removed from domestic agriculture, forestry and fisheries [2: 38, 26].

5. Imperfect legislation: laws remain only on paper and hardly any support is given to peasant farmers.

6. The emigration of villagers to towns and cities and a lower professional level of agricultural labour force.

7. The absence of basic laws and the state control system concerning organic production, certification and labeling of agricultural products. Therefore, Ukrainian agricultural products have lower standards than international ones [3:19].

8. The insufficient recoil of natural-resource potential, which is caused by a low ecological culture, misuse of land, outdated production technologies, the absence of crop rotation.

9. Russian embargo on Ukrainian agricultural products (especially on eggs, milk and cheeses) caused the loss of a huge sales market for our country.

10. Predominance of raw materials in the Ukraine's export (kernel, corn, sugar beet, potato, live cattle, eggs) that have a low added value, instead of products of ultimate consumption, which have a high added value.

11. The reduction of Ukrainian viticulture, cultivation of aromatic crops and fishing because of annexation of the Crimea by the Russian Federation [2: 38].

One of the strategic goals of agriculture development in Ukraine is updating the machine and tractor fleet. For this purpose, it is necessary to buy machinery and equipment worth over \$15 bn annually.

The only way to increase intensification is to improve efficiency and power of production technologies, as well as actively implement scientific and technical advances in agriculture.

Intensive farming foresees an increase in crop yields through the development of new breeds of animals, species of plants and selection. Improving the plant growing productivity will lead to an increase in the share of feed grains in the total gross harvest from 42 % to 60-65 % [2: 37].

Another important issue to be addressed is the development of social infrastructure, providing stimulation for agricultural workers, along with effective

training anticrisis managers and experts. Moreover, paramount priority in foreign Ukraine's economic relations is given to a favorable investment climate.

**Conclusion.** Despite all the challenges, there was an increase in labor productivity in agricultural undertakings from 2005 to 2015: in plant growing – from 86,198.1 UAH per one employed in agriculture to 223,309.9 UAH (or by 159,1%), in animal husbandry – from 47, 992.8 UAH per one employed in agriculture to 237,990 UAH (or by 395.9%) [1].

In general, Ukraine should avoid monopolism and create a favorable competitive environment for various types of business enabling them to equitably operate in the agricultural sector. The government should promote organic production to harmonize farming with the environment. Thus, Ukraine's agriculture must develop to satisfy national strategic interests and ensure the food security of our country.

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