

Realization of the potential of small entrepreneurship in Ukrainian agriculture

Polkovnychenko S.O.

PhD in Economics, Associate Professor,
Associate Professor of Department of Economic theory,
Chernihiv National University of Technology

Kozlovska S.M.

Student,
Chernihiv National University of Technology

Serediuk I.O.

Student,
Chernihiv National University of Technology

An integral and compulsory component of the development of agrarian production is small agricultural entrepreneurship, realization of the potential of which largely determines the level of socio-economic development of the country and ensuring the welfare of society.

The purpose of this article is to study theoretical and practical aspects of the realization of the potential of small agricultural entrepreneurship, identify problems and ways to intensify its use.

In broad context, one understands the potential of small agricultural entrepreneurship as a combination of labor, investment, innovation, financial, and other resources and real possibilities of their use in relation to independent, proactive, risk-taking production and sale of agricultural products, as well as providing services in order to meet customer needs and generate income.

The potential of small agricultural entrepreneurship should be considered in the unity of three stages: formation, use and reproduction.

Realization of the potential of small agricultural entrepreneurship takes place through the activity of small enterprises and individuals engaged in entrepreneurial activity without formation of a legal entity.

In modern conditions, the potential of small agricultural entrepreneurship in Ukraine is not used efficiently enough, since its functioning environment does not meet the requirements of market economy and at the current stage of development is unfavorable for realization of its potential.

Among the most typical problems of realization of the potential of small agricultural entrepreneurship one should consider the following: financial difficulties; instability of tax policy; insolvency of customers; insufficient demand for products; lack of information on market and production; considerable debts to banking and budgetary institutions; weak state support; difficulties with forecasting, choice of correct vectors for business development; unfairness of large businesses; instability of the economic situation in the country, etc.

Despite existence of serious problems, small agricultural entrepreneurship is still an important commodity producer in Ukrainian agriculture. However, its potential remains insufficiently engaged, thus, requiring a rapid systemic resolution of organizational, financial, information and legislative issues in this sector, primarily through improving its support from the state.

The main directions of intensification of the potential of small agricultural entrepreneurship should become: rational combination of market mechanism with state regulation while doing business; improvement of mechanisms of lending, taxation, remuneration, informational and consulting support of businesses; expanding size of businesses on lease basis; consolidation of entrepreneurs in cooperatives for the purpose of equipment supply, products processing and sales, provision of information and consulting services, etc.