

## STATE REGULATORY AGRICULTURAL POLICY IN THE CONTEXT OF THE WORLD EXPERIENCE

**Dovzhyk O.O.**

Candidate of Economic Sciences,  
Associate Professor of Department of Accounting  
Sumy National Agrarian University

As it known, Ukraine plays a leading role in natural resources and agricultural potential in the world. Unfortunately, this potential is ineffective and the level of development of the agricultural Ukraine lags behind advanced countries.

One of the most problematic issues is the pricing mechanism in the nervous system of the economy. Without it, it is impossible to balance the demand with the supply. The price formation mechanism combines market infrastructure, state and market regulation institutions, principles of setting the minimum purchase prices for agricultural products to support farmers' incomes and the implementation of trade and financial intervention actions.

The regulatory agricultural policy of the EU deserves careful study. This policy has two problems there: state regulation of production and markets; structural reforms to concentrate farms as a stimulus to intensify production. This is always the first task of playing a greater role as it allows you to perform a basic macroeconomic goal – to cre-

ate a stable economic environment for functioning of agriculture.

The main idea of regulating agricultural and food markets is the establishment of corridor prices, with prices with high enough level for agriculture and, at the same time, acceptable to consumers. This allows fluctuations of prices in a range, but it does not allow fluctuating of the establishing parameters and does not accept their change. So the basic idea of the market regulation is realized, with a clear understanding that the market of agricultural and food products can be self-regulated. At the same time, functioning of the agriculture needs to be supported by very substantial subsidies, primarily through support prices.

Actioning of the price mechanism in the agricultural economics is manifested through the direct regulation of the market (the state support and budgetary subsidies for legally defined types of products) and a group of market instruments. The pricing policy is secured directly by the state and the market self-regulation.