

TRANSFORMATION OF BUDGET SUPPORT OF THE AGRICULTURAL SECTOR OF UKRAINE IN CONDITIONS OF EUROPEAN INTEGRATION

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The article aims to identify gaps and inconsistencies in system of state budget support of domestic agricultural sector and determine the main directions of its transformation with regard to need for convergence and adapting agricultural policy of the EU and Ukraine. Analysis of budget financing of the agricultural sector is carried out, trends prevailing in the public financing of the agricultural sector of Ukraine are revealed: dynamics of spending on agriculture, ratio between the areas of financing. Distribution of public spending on agriculture and rural development according to their impact on production and trade is analyzed. Tendency to shifts in the structure of state budget support towards increasing the share of spending that according to WTO classification does not distort the conditions of production and trade is discovered. Inefficiency of the national budget support for agriculture, matching dynamics and structure of public spending with goals and priorities of CAP EU adaptation to which in the context of European integration intentions of Ukraine is one of the priorities of agricultural policy are found. Main directions of trans-

forming mechanisms of state support for the agricultural sector to adapt to the European model of agricultural policy are determined: gradually reducing the size of budget support accompanied by more efficient use of budget funds; transition to direct payments for agricultural producers regardless of the size of farms and its legal form; reorientation of spending that “distort production and trade” for expenditures that promote development; raising awareness of producers to obtain state assistance and transparency of its receipt; rejection of programs and support mechanisms that lead to inefficient use of funds; orientation of public spending to promote development of human capital and rural areas; stimulating greening of agricultural production.

Originality is to improve approaches to developing model of state support for the agricultural sector based on the European experience. The results can be used by public authorities in the development of a strategy to modernize state support for the agricultural sector of Ukraine in terms of European integration.