

SOME ISSUES OF ESTABLISHING COMPETITIVE BUSINESS IN AGRICULTURE

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In Ukraine, a new class of agricultural entrepreneurs was introduced with the beginning of reforms of the agricultural sector in 1990, following the adoption of the “On Land Reform” Act of the Verkhovna Rada of Ukraine under which all Ukrainian lands were declared the object of the land reform.

As a result of these reforms today there exist actually three types of business organizational forms in Ukraine – individual farms (households), farms and agricultural enterprises. These forms usually correspond to the size of small, medium and large enterprises.

In our study, we have analyzed the distribution of agricultural enterprises of various organizational forms depending on the size of the used lands on the basis of the Kharkiv region data as of 2015. The study results showed that the main forms of agricultural enterprise management of the Kharkiv region are private enterprises and limited liability companies.

At the next stage we were studying the cost-effectiveness of the above set of enterprises depending on the size of their agricultural lands. It should be noted that there is a significant difference between the first group of companies and other two groups associated with the level of development of livestock industry.

Also, one of the problems of small agricultural enterprises is associated with a significantly lower level of labour productivity in terms of the commercial yield per 1 worker. Obviously, this problem is one of the factors of the scale influence on the cost-effectiveness and it turns up in many industries. In this case, it is only necessary to note that agricultural enterprises are actually the main employers in rural areas. If one of the priorities of the state is rural development, then the government support should be directed exactly towards small agricultural enterprises.