

ECONOMY AND OPERATION OF NATIONAL ECONOMY

FINANCIAL INSTRUMENTS OF SUPPORT FOR DAIRY PRODUCTION SUB-COMPLEX OF AIC: STRUCTURE AND FUTURE DIRECTIONS OF USE

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Milk production has an important place in the structure of agricultural production, as it provides population with vital food, many of which are strategic in export potential. The unique properties of milk and its products necessitate their uninterrupted supply to consumers, requiring efficient operation of the production.

The article deals with structure of dairy production. It is determined that there is no unified affirmation on its construction. Representatives of different directions allocate three, four, five and even six sectors in the structure of dairy production. However, in the context of this study the most rational is the position, which allocates the following spheres of dairy production: sector of raw milk production, final production sector, technical and technological agricultural service, and infrastructure of agrarian market.

Analysing the milk production in recent years, there is observed a negative trend. Therefore, it is determined that improving the performance of milk production sub-complex is impossible without the state support.

There are defined the essence of financial policy and its place in the structure of dairy production.

In summary of scientists' statements it is determined that the financial policy is a strategic direction of the state, which is realized through management decisions related to the distribution of financial flows.

Fiscal policy is formed by the information received from service management, control and supervision and, based on this information, there are corrected some tax privileges and financial support programs for dairy products.

Fiscal policy in dairy products is realized through the introduction of special financing programs and tax benefits. Fiscal policy mainly provides support for dairy breeding. This is due to the fact that dairy breeding has a special place in the development of dairy products.

The existing financial instruments of the state regulation in dairy production are classified by the following directions: direct and indirect.

The article formed the main areas of public regulation application:

- 1) increase in the milk production of cows;
- 2) change in VAT rates for processing companies and retail organizations;
- 3) introduction of additional mechanisms for price controls.