

7. State regulation is an important factor in improving the efficiency of functioning of the fruit and vegetable market

To stimulate the development of the regional market of fruit and vegetable products, the promotion of its effective functioning, it is necessary to apply positive practices to both the world agricultural market and a range of activities performed by the state and regional authorities.

Under the state regulation of the market of fruit and vegetable products, we understand a range of activities – the centralized influence of the state and regional authorities on the main elements of the market, such as supply and demand, conditions for the realization, the control of quality of fruit and vegetable products, infrastructure etc.

The concept of state regulation of the fruit and vegetable market is based on the fundamental principle of the market, which guarantees the possibility of the sale of all products in the sphere of the agro-industrial complex.

The state regulation of the development of economic potential of enterprises means that the state will create legal, organizational and economic conditions for their effective development (Fig. 1.).

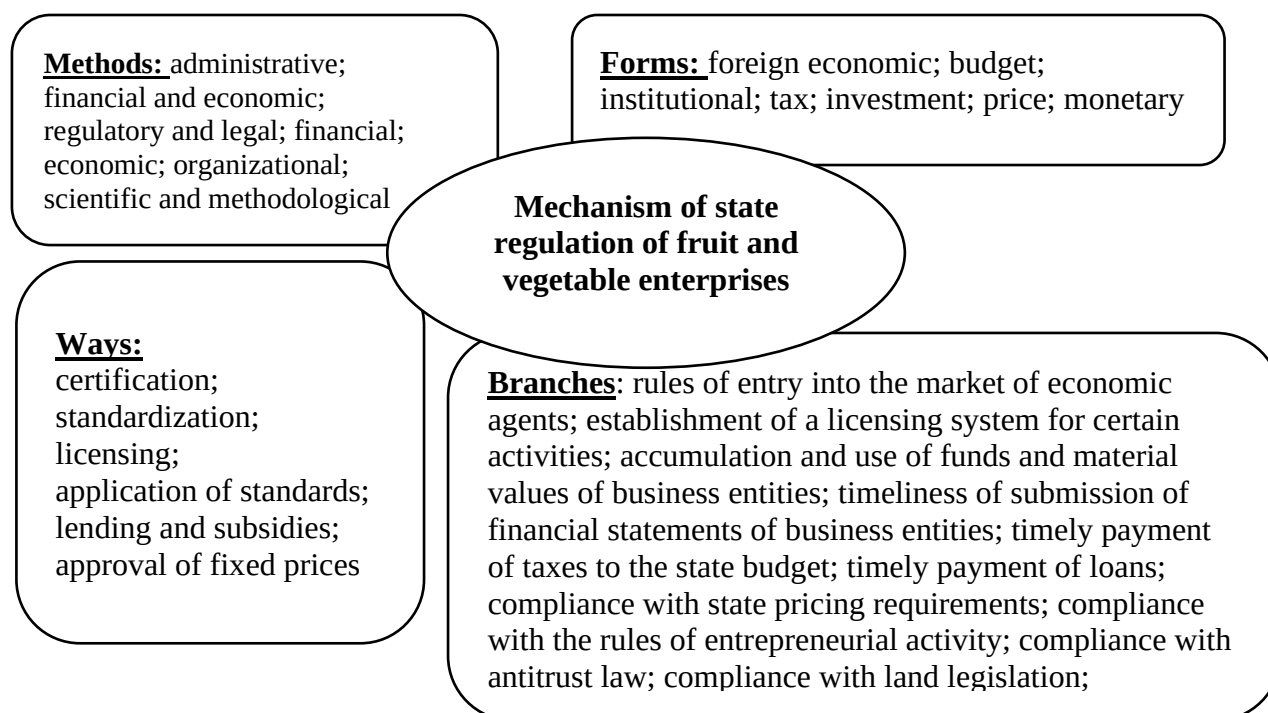


Fig. 1. The mechanism of state regulation of fruit and vegetable processing enterprises

Source: developed by the author

As for the fruit and vegetable industry, the mechanism of state regulation should be based primarily on adjusting prices in the market of fruit and vegetable products; state support for enterprises in taxation; preferential terms for lending; marketing consulting services. The task of public authorities is to stimulate the formation of a market system and sale of fruit and vegetables.

State regulation and regulation of the regional market of fruit and vegetable products are carried out in the following basic forms [112, 118]:

- legislative, which means the adoption of special legislation that ensures even conditions for competition and prevents the establishment of unreasonably high prices;
- tax and credit, which are based on the usage of taxes and loans to support the production of fruits and vegetables at the required level;
- subvention – the state subsidies to agricultural producers of fruits and vegetables, which allow them to cover production costs.

Implementation of measures of state regulation in the regional market of fruit and vegetable products is necessary for [118, 119]:

- full provision of the population with quality fruit and vegetable products which correspond the scientific and medical nutrition standards;
- stimulating the growth of fruit and vegetable production (growth of supply in the regional market);
- stimulating the increase of economic efficiency of production and profitability of enterprises engaged in the production and processing of fruit and vegetable products;
- guarantees of a certain level of income, which provides agricultural producers with the opportunity to accumulate funds for expanded production;
- protection of the domestic (regional) market from imports;
- development of market infrastructure.

In the country and its agents, the direct influence on the markets of fruit and vegetable products occurs in [114-118]:

- regulation of prices and profits in the fruit and vegetable industry;
- direct commodity and procurement intervention of the state in the market;

- direct participation of the state in the production and sale of fruits and vegetables;
- adoption of targeted state programs for the development of fruit and vegetable economy;
- product quality management through a system of standards, conditions and quality characteristics;
- lending and taxation;
- scientific support of the industry;
- legal and methodological support of state regulation in the market of fruit and vegetable products.

Regulated prices are set administratively - by the government, by decisions of relevant regional authorities. Price regulation also means the establishment of a marginal level of profitability in the field of processing, procurement and trade in order to protect both consumers and agricultural producers of fruits and vegetables.

To stabilize the market for fruits and vegetables, the state carries out procurement and commodity interventions. Direct procurement and commodity interventions are carried out by the state through a system of procurement organizations (state corporations, joint stock companies, firms and others). Their activities are under the direct control of the state.

Procurement interventions are a means of supporting agricultural producers when they are unable to sell their products due to reduced demand for them. Purchasing interventions are also carried out in cases where prices for fruit and vegetables are lower than the minimum. If there is a shortage of fruit and vegetables on the market and prices rise above the maximum level, the state agents organize the sale of products from state reserves, i.e. carry out commodity interventions in the market. In this case, the reserve state fund can be replenished from the following main sources [113]:

- procurement for state needs at guaranteed purchase prices for fruit and vegetable products;
- purchase in wholesale markets;

- purchase abroad (those types of fruits and vegetables that are in demand in the market, but not produced in the country).

Along with procurement and commodity interventions, one of the forms of regulating the market of fruit and vegetable products and supporting agricultural producers is the state's participation in mortgage transactions with fruit and vegetable products.

The subject of the pledge can be both already produced fruit and vegetable products and products of the future harvest. The state's participation in the pledge of fruit and vegetable products, raw materials implies the allocation of budgetary resources; lending; allocation of budget allocations or crediting necessary to compensate for the costs of preservation and processing of fruit and vegetable products, raw materials purchased by the state.

Pledge of agricultural products, raw materials may be suspended at the initiative of the mortgagor with the fulfillment of the obligation secured by the pledge or the acquisition in the prescribed manner in the ownership of the state pledged agricultural products, raw materials.

Pledged products and raw materials that have become the property of the state are used for state commodity interventions, the formation of state food funds for other purposes.

Direct participation in the production of fruits and vegetables is carried out through state enterprises or enterprises with the participation of the state.

Quality management of fruit and vegetable products is performed as per standards depending on the final purpose of the product (consumption in fresh or processed form), which are developed in accordance with the appropriate methods.

Legal and methodological support of the system of state regulation of the regional market of fruit and vegetable products requires the following measures:

- development and formation of the system of state regulation of the regional agricultural market in general, as well as its main segments (fruit and vegetable market in particular);

- methodology and recommendation development for the calculation of indicators used in the system of state regulation.

The clear division of responsibilities between the state and domestic producers, as well as certain state powers should become a necessary condition for the preparation of laws, legislative acts and other documents regulating the market of fruit and vegetable products. It is necessary to determine the source of funding, as well as the use of allocated funds for all the developed and implemented measures.

In the period of transition to a market economy, when the planning of all branches of agro-industrial production is not being done by the state, the most effective tool for formation of market structures and mechanisms for their regulation are targeted comprehensive programs covering not only direct production but also other branches of agro-industrial production in the region as well as various relations between them.

The program for the formation and development of the food market of both Ukraine and its separate region should contain measures to create the necessary level of supply (production) of agricultural products, measures to create a market infrastructure, to maintain the profitability of agricultural producers at the level necessary for expanded production, the level of guaranteed prices and other organizational and economic activities, the implementation of which is necessary for the organization of the normal functioning of the food market. The program also includes the volumes of state budget funding, various benefits and incentives provided to program participants.

Targeted and integrated programs link most areas of state regulation into a single system, but at the same time they do not exclude the independent use of other levers of state regulation, such as price, financial and credit policy, taxes, etc. Target comprehensive programs are accepted for a limited period of 3-5 years.

Alongside with comprehensive programs that cover all agriculture, development programs can be adopted for its specific branches and spheres.

In 2011, the Cabinet of Ministers of Ukraine approved the Order "On Approval of the Concept of Vegetable and Processing Industry Development" dated October 31, 2011 № 1120, the main provisions of which formed the basis of the Strategy for

Agricultural Development of Ukraine until 2020 and the Development Program agricultural sector of Ukraine's economy until 2020. The purpose of the concept was to increase the production of high quality vegetable products, provide vegetable products per capita in quantities that correspond to certain scientifically based consumption norms, and develop market infrastructure related to the supply of such products.

In Vinnytsia Oblast, the Vinnytsia Oblast Council № 40 of 11 February 2015 adopted the Program for the Development of Private Peasant Farms, Rural Farming Movement and Advice for 2016–2020. The purpose of this program was to provide appropriate and stable conditions for supporting the development of agricultural service cooperatives, private peasant and farm enterprises as an important socio-economic institution for improving the efficiency of agricultural production, creating additional jobs, actively developing rural areas and improving the level and quality of life of the rural population as a whole. The objectives of the Program were, among others, to ensure the annual increase of production of private farms and agricultural holdings by 2020: potatoes – by 5.0%, vegetables – by 5.0%, sugar beets – by 5.0%, fruits and berries – by 6.0% against the level achieved in 2015.

The main problem of private peasant and agricultural holdings, defined in the Program, is the sale of agricultural products they produce, ensuring its quality in accordance with current standards, the introduction of small mechanization, warehouses and more.

According to the adopted Program, the system of state regulation of the supply of fruit and vegetables in the regional food market should be aimed at achieving the priority goals [120]:

- ensuring stable economic and social conditions for the development of the agricultural market of fruit and vegetable products;
- formation of regional food funds;
- protection of the regional market from the foreign market (imports);
- integration of market space;
- reduction of negative impact on the environment.

To achieve the goals set, state intervention in the fruit and vegetable market should be carried out in the following main areas:

- state guarantees for the purchase of all products presented by agricultural producers on the market;
- introduction of a system of regulated prices for fruits and vegetables;
- state subsidies for certain types of fruits and vegetables;
- state subsidies for the purchase of material and technical resources necessary for the proper functioning of the market of fruit and vegetable products;
- preferential lending and preferential taxation;
- financing of scientific programs on the problems of selection, seed production, improvement of technologies of production, processing and preservation of fruits and vegetables.

According to the Program of economic and social development of Vinnytsia region, in 2019 a number of international technical assistance projects were implemented, where the regional state administration is the beneficiary, namely:

1. Project "Energy Efficient Hnivan - Energy Policy for Sustainable Development of town Hnivan". The project is funded by the European Union under the initiative and program "The Covenant of Mayors – Demonstration Projects" and is implemented by the Hnivan Town Council in partnership with the public organization "Euroregion" Dniester ". The total budget is 970 913 euros. The project, among other things, defines the tasks of mayors to reduce CO₂ emissions in the atmosphere. The results of the project are in line with the Sustainable Development Goals of Ukraine, which were presented on 15 September 2017 by the Government of Ukraine in the National Report "Sustainable Development Goals: Ukraine", which defines baseline indicators for achieving sustainable development of agriculture; ensuring a healthy lifestyle and promoting well-being for all at all ages; promoting sustainable, inclusive and sustainable economic growth, full and productive employment and decent work for all; creating sustainable infrastructure, promoting inclusive and sustainable industrialization and innovation; ensuring the transition to rational models of consumption and production.

2. The Rural Tourism Project is the right step to improve cross-border Cooperation between Soroca district (Republic of Moldova) and Yampil district (Ukraine, Vinnytsia Region), co-financed by the European Union through the Moldova-Ukraine Eastern Partnership Territorial Cooperation Program. One of the important stages of the project was the restoration of the museum of wine and winemaking, which is important in maintaining the culture and traditions of fruit and vegetable growing in Yampil district.

3. Project “Yablunevyi Shlyakh Cluster”. According to the pilot project of the Initiative “Mayors for the Economic Growth”, the main goal is to increase the added value of the regional brand “Podilske Yabluko” by creating the Yablunevyi Shlyakh cluster to promote Vinnytsia Oblast as an “apple paradise” in Ukraine based in Severinivska and Bar united communities. The project is implemented in Severin and Bar communities, performing the following tasks:

- 1) Creation of tourist facilities within the cluster "Yablunevyi Shlyakh", development of infrastructure in the sector of production, education and rehabilitation;
- 2) Establishing relationships with local businesses in order to create other clusters, as well as develop cooperation between companies to launch new, better quality and cheaper local products;
- 3) Promotion of the municipality among investors, support of local goods and services, raising the level.

During 2018-2019 in Vinnytsia Oblast on the territory of Bar and Severinivka united territorial communities the grant project of technical financial assistance of the European Union Cluster " Yablunevyi Shlyakh " is implemented, which aims to create an agritourism cluster to promote the regional product " Podilske Yabluko ". Currently, within the framework of the project, repair works are being completed in the Severinovsky sanatorium, where a two-day cycle of treatment and rehabilitation procedures will be carried out. In order to organize the processing of grown fruit production on the basis of Severinovsky communal enterprise, repair works are underway. Restoration work is being carried out on Denis McCler's house and an all-year-round greenhouse with various varieties of apple and other fruit and berry crops near the Severinovsky sanatorium. In order to develop the tourist and health component

of the project, measures are being taken to develop recreational and sports-tourist routes, taking into account the architectural and natural monuments of the territory. In July 2019, a thematic festival was held at Severinivska OTG Fruktošmak Fest.

Trainings are being prepared, as well as documentation for the creation of an innovative training center in Severinivska OTG and the modernization of the Horticultural Museum in the village of Alexandrivka. Another group of measures aimed at normalizing economic relations in the market of fruit and vegetable products is related to the formation of a wholesale link in the food market [121]. Under modern conditions, the sphere of small retail trade is developing rapidly, removing huge financial resources from the normal circulation of money capital.

In the Concept of development of vegetable growing and processing industry from October 31, 2011 № 1120, it is determined that the efficiency of the vegetable growing and processing industry is largely constrained by the violation of partnerships between agricultural producers, processing and trade enterprises. Profitability in the chain "production - processing - sales" is achieved through unprofitable production and speculative pricing in the system of wholesale and retail trade. The "producer - wholesaler - retailer - consumer" chain is overloaded with a large number of business entities, which significantly increase the prices of vegetable products. Revenues of intermediaries exceed the incomes of producers by almost 1.5-2 times.

The system of wholesale food markets should cover all levels: state, regional, local. In each of them, wholesale markets will perform their functions. At the same time, it is extremely important that the agricultural producer acts everywhere on the market, as a rule, in organized associations, mostly of the cooperative type. In our opinion, in this case there will be more opportunities for agriculture to receive part of the profit from the sale of final products.

Taking into account the fact that these are markets for certain types of products, such as the market for fruits and vegetables, it is also advisable to create appropriate combinations: vegetables, fruits, processed products and others. This process must start from the foundations, from direct agricultural producers, requiring state support at both regional and state levels. At the same time, the participation of the state in financing

the creation of capital-intensive objects of the infrastructure of wholesale food markets is necessary: bases for the storage of production, as well as its transportation, information support.

One of the important problems in agricultural production today is also the relationship between the agriculture and the processing industry. The analysis showed that part of the agricultural producer in the final price of the product is unacceptably small and it does not reproduce the real contribution of all participants in the food chain "from the field to the store."

In the current situation, we see a way out in changing the forms and content of economic relations in the agro-industrial complex, the main participants of which are agricultural producers and processing enterprises. They are in a single technological chain, working on a single end product (result), so the harmony of their interests must be maintained. This task is difficult to solve without the active intervention of the state. There are many options, one of which is the creation of various associations and cooperatives on the basis of partial participation in order to pool resources and attract investment. The direct members of the association are enterprises that process fresh fruit and vegetable products, and horticultural and vegetable farms located nearby.

The basis of the association, which ensures the interests of all its members, may be an agreement on joint activities related to the purchase of fruits and vegetables, their processing, preservation and sale. The main point in the regulation of relations is the economically justified distribution of the share of the value of the final product among all participants. This distribution should be based on a methodology that takes into account the regulatory capital, material and labor intensity of production in each of its links [111].

Speaking about the state guarantees for the reception of all presented products, we note that this does not preclude the free entry of agricultural producers into the market, but only implies that if the producer for one reason or another refused to apply directly to market channels, the state guarantees acceptance of its products at guaranteed prices (purchase and mortgage). Thus, the guarantee of product acceptance gives confidence to agricultural producers in protecting them from bankruptcy,

stimulates the growth of fruit and vegetable production, which ultimately contributes to the stabilization of the regional fruit and vegetable market.

The formation of a single market for fruits and vegetables on the basis of mutually beneficial economic conditions, taking into account the territorial division of labor requires:

- a single pricing strategy of state support for agricultural producers in the entire territory of the state;
- waiver of any restrictions on interregional exchange of products in the fruit and vegetable market;
- state programs to support agricultural producers, especially those that operate in adverse climatic conditions;
- formation of state and regional food funds.

The availability of state and regional food funds is necessary, above all, for the inventory accumulation and intervention in the market of fruits and vegetables. The state fund also provides supplies to certain areas of the country, such as the northern regions, where the production of fruits and vegetables is impossible or extremely limited due to harsh climatic conditions. Regional food funds currently perform similar supply functions.

Under modern conditions, the replenishment of state and regional funds should be based on the conclusion of contracts with agricultural producers for the supply of fruit and vegetables. However, the contract must be economically attractive for the producer. In this case the observance of such conditions is necessary at its conclusion:

- guaranteed purchase prices for fruit and vegetable products should ensure the conditions for expanded production for agricultural producers who are working actively;
- concessional loans and tax benefits, state support of agricultural producers through relevant programs, which specifically stipulate the conditions for the allocation of various grants, subsidies, subventions in compliance with the terms of the contract.

Note that similar requirements can be formulated for other sales channels available to government regulation.

Measures of state support and protection of agricultural producers should help to reduce production costs, redistribute profits from the sale of the final product, rather than increase retail prices for it. In this case, measures aimed at reducing the cost of material and technical resources, transport tariffs, the use of various forms of compensation become more effective. Such a mechanism will be effective in the first stage until certain relations are established between agriculture and other branches and spheres of agro-industrial production. However, this approach does not exclude, but on the contrary, provides for the use of guaranteed prices when purchasing products that are not sold at market prices, commodity procurement, interventions and other forms of regulation of the fruit and vegetable market.

State regulation of the fruit and vegetable market can be effective only if it is carried out on a legal basis. The solution of this task is to some extent facilitated by the adoption of laws and regulations, resolutions of the Cabinet of Ministers of Ukraine. Currently in Ukraine, public procurement in the agro-industrial complex is carried out on the basis of the Order of the Ministry of Economic Development, Trade and Agriculture of Ukraine “On approval of forms of documents in the field of public procurement” from 22.03.2016 № 490, Order of the Ministry of Economic Development, Trade and Agriculture of Ukraine “On approval of the Procedure for determining the subject of procurement” dated 17.03.2016 № 454, Law of Ukraine “On Public Procurement” dated 25.12.2015 № 922-VIII, Resolution of the Cabinet of Ministers of Ukraine “On prepayment of goods, works and services purchased for budget funds” from 23.04.2014 № 117.

All these and other law regulations create a minimal stabilizing basis in the market of fruit and vegetable products, but, unfortunately, the government is not yet fully complying with it.

At present, purchases of agricultural products, raw materials and food for governmental needs make up a small percentage of total production.

Another important law addressing this issue is the Law of Ukraine “On State Support of Agriculture of Ukraine” № 1877-IV, as amended by the Verkhovna Rada of 27 February 2002 (№ 465-IX). This Law defines the basics of state policy in the

budget, credit, pricing, regulatory and other areas of public administration to stimulate agricultural production and agricultural market development, as well as food security. The law distinguishes among the forms of influence, first of all, state guarantees of parity of prices for agricultural products and means of production and services for agriculture, sale of products at least at guaranteed prices, financing of measures to restore fertility, development of social infrastructure in rural areas, soft loans, partial compensation costs of fuel and energy resources, mineral fertilizers, feed, preferential taxation of agricultural producers. The Law pays special attention to state regulation of lending and subsidies to agricultural producers.

Analyzing the provisions of the Law "On state regulation of production and circulation of ethyl alcohol, cognac and fruit, alcoholic beverages and tobacco products" 481/95-VR in the edition of 27.02.2020, it is safe to say that this document concerns many complex and ambiguous issues in the agro-industrial complex of Ukraine, which arose during the transition to market relations. However, as we have already mentioned above, state regulation of the fruit and vegetable market should be carried out at both the state and regional levels. And therefore, it is very important that the state executive bodies, together with the executive authorities, take all possible actions to implement the main provisions of the adopted Laws.

Regional regulation of the fruit and vegetable market under modern conditions should involve all possible mechanisms to increase the real responsibility of public authorities for fulfilling obligations to regulate both the regional food market in general and its main segments, to perform internal market protection and quality control imported products, price regulation and timely public procurement, stimulating scientific and technological progress in agriculture, preventing the destruction of the material and technical base of agriculture and the accumulated over many decades the potential of agricultural science.

To overcome the above problems, it is advisable to pursue a policy of stimulating the development of agricultural cooperation in rural areas, which will create closed cycles for the production and processing of products and their sale.

Directions of diversification of households are shown in Fig 2.

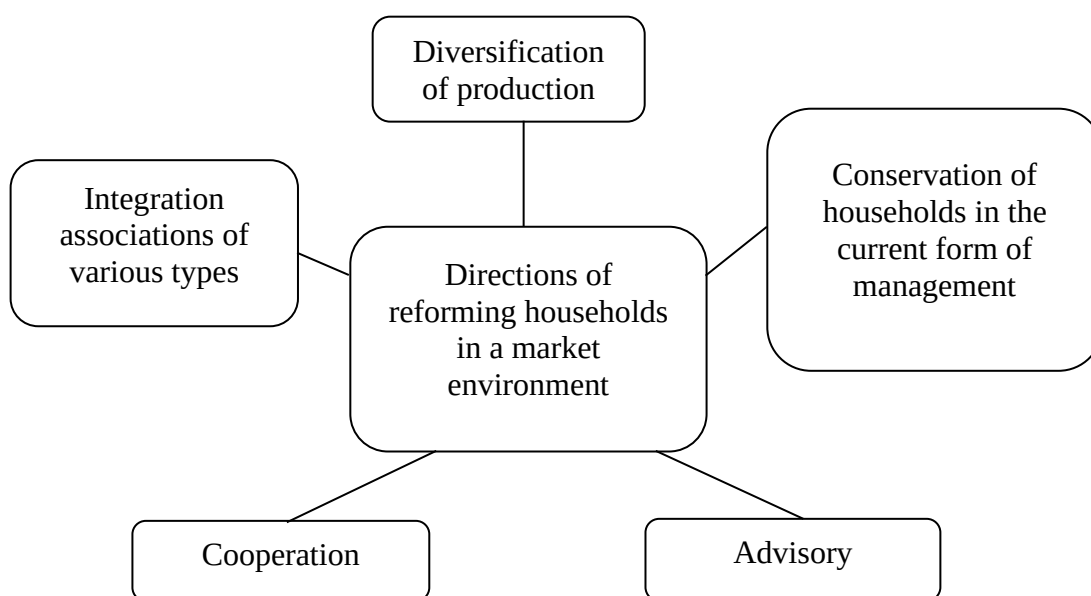


Fig. 2. Directions of organizational reform of households in market conditions

Source: developed by the author

Of the reform directions declared above, it is advisable to determine the integration of economic activity, as it allows to increase the competitiveness of larger formations in rural areas within the general trend of integration of agricultural producers.

The development of private peasant will provide an impetus to both the development of the declining livestock industry and improve the development of rural areas.

Integration of holdings with agricultural enterprises into production cooperatives will allow:

- to provide peasant farms with access to land resources and on the basis of a higher culture of production to increase their own profitability;
- to create an opportunity to help peasant households with material resources (seeds, fertilizers, herbicides, etc.);
- to improve the sale of livestock products by peasant households at higher prices;
- lease the necessary means of mechanization of production to peasant households;

- participate in the organization of production and processing of agricultural products at enterprises located in rural areas.

Types of integration associations with the participation of households are presented in Table 1.

Table 1.

Options for integrating households into larger economic forms

Vertical cooperation	Households + Processing enterprises
	Households + Farms + Processing enterprises
	Households + Farms + Agricultural Enterprises + Processing Enterprises
Organizational and economic integration	Households + Processing Enterprises + Agroservice Enterprises + Trade organizations
	Households + Farms + Processing enterprises + Agricultural service enterprises + Trade organizations
	Households + Farms + Agricultural enterprises + Processing enterprises + Agricultural service enterprises + Trade organizations

However, it should be noted that the implementation of integration often has difficult problems with the distribution of profits between participants and compliance with existing legislation. Typically, these relationships include: fairness between members of the association; determination of the system of mutual settlements, based on the contribution of each participant to the total profit of this integrated association; consolidation of contractual relations and inter-economic interaction between participants; issues of pricing and lending to members of the association.

The processes of integration and cooperation in rural areas are currently undergoing some difficulties. Of course, the Law of Ukraine "On Agricultural Cooperation" created the preconditions for the formation and development of cooperation in the agricultural sector of Ukraine, but did not create preferential conditions for the cooperative movement [Law of Ukraine "On Agricultural Cooperation", (Vidomosti of the Verkhovna Rada of Ukraine, № 39, pp. 261)].

Cooperation in action will promote the development of vertical links between agricultural producers and sub-sectors of further processing.

Forms of cooperation in the agricultural sector of the economy are presented in Figure 3.

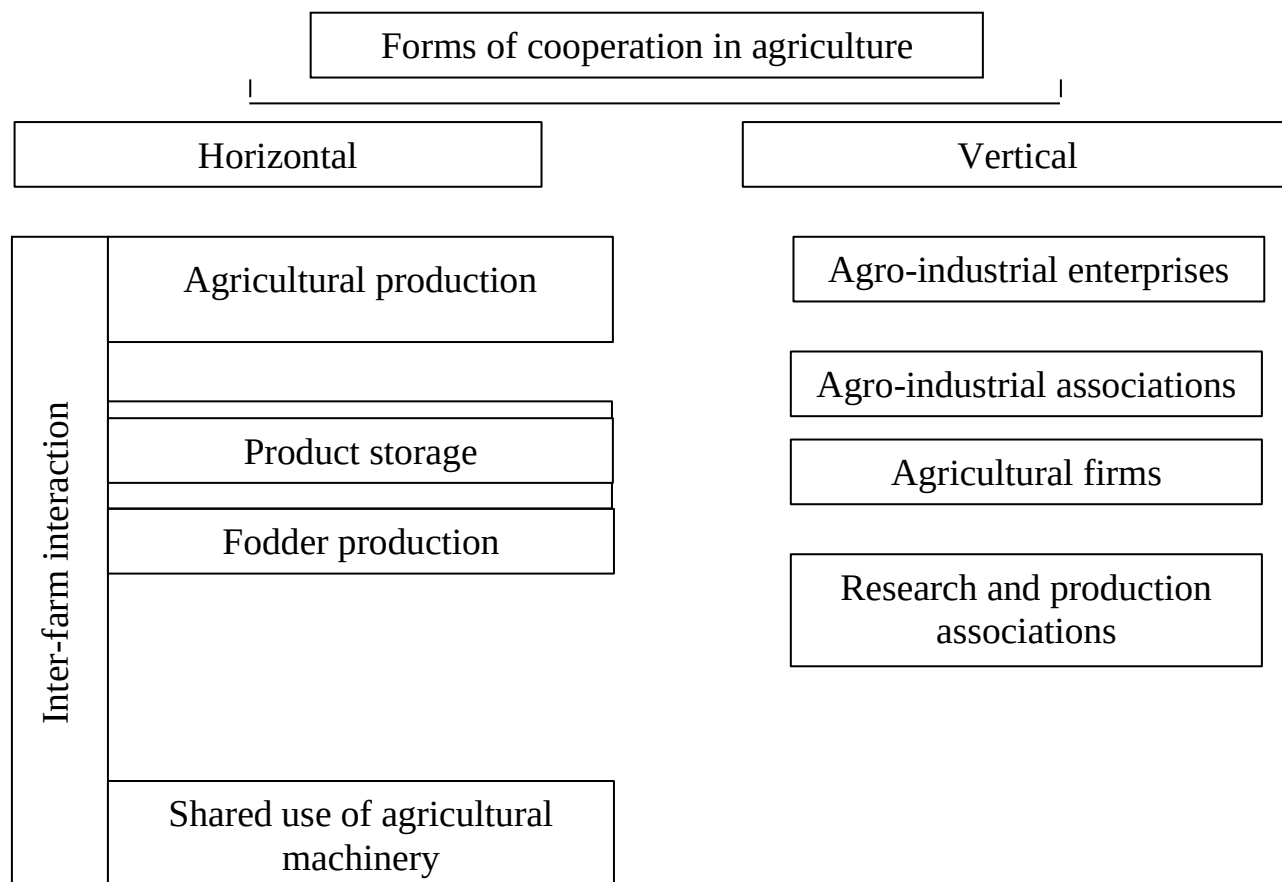


Fig. 3. Forms of cooperation in the agricultural sector of the economy

In the first case, when creating an inter-economic formation, a fundamentally new legal form emerges, which includes voluntary association of some financial, logistical and labour resources on a share basis of participants, while maintaining independence in the organizational and legal status of participants. According to the Commercial Code of Ukraine, such formations can currently be a business association. The economic relations of the participants of the cooperation are determined by the common property in the amount corresponding to the share of each of them in the jointly produced products and, accordingly, the profit received.

Another form of cooperation is an agreement on joint activities (company) without the formation of a legal entity for profit. The agreement on joint activity can be concluded by farms producing mainly one type of product (seeds or fodder), or by technological stages of its production (feeder lot operations or raising animals, etc.).

The economic relations between the participants of this type of cooperation can be based on the share distribution of profits resulting from their joint activities, depending on the costs of the final product.

The development of small business in rural areas aimed not only at the production of alternative fuels, but also the direct processing of agricultural raw materials can be a kind of "locomotive" for the development of Ukraine's economy and its transition from raw materials to processing.

It is also advisable to develop a cooperative movement in rural areas to stimulate programs for the development of agricultural service cooperatives (hereinafter - ASC). The main tasks of ASC development are the following:

- increase the efficiency of agricultural production by optimizing the costs of producers which are spent to purchase means of production, conducting certain technological operations, conducting marketing research, as well as increasing profits from sales;
- assistance in the formation of elements of the infrastructure of the agricultural market on a cooperative basis – agricultural houses, procurement points, wholesale food and vegetable markets;
- creating a favourable competitive environment by supporting the development of alternative commercial structures;
- stimulating the processes of self-organization of agricultural producers of all forms of ownership and the rural population on cooperative principles for the organization and provision of agricultural work, joint use of property, provision of technological, social and other services;
- development and increase of efficiency of ASC, increase of incomes and standard of living of rural inhabitants;
- creation of additional jobs in rural areas.

As a result of the project implementation, the following benefits are gained by the ASC members:

- costs for technological services are reduced, as they are provided at a price that does not exceed the cost;

- long-term preservation of household products is ensured and income from its sale is increased due to the use of seasonal price fluctuations;
- household income from potato sales increases;
- an opportunity to attract additional foreign financial investments under the collective guarantee of ASC members;
- conditions are created for the formation of large batches of products, improving its quality indicators;
- new jobs are created;
- sustainable development of households is ensured.

The main goal is to provide appropriate and stable conditions to support the development of agricultural service cooperatives, private farms and farm holdings, as an important socio-economic institution to increase the efficiency of agricultural production in the region, create additional jobs in rural areas, active rural development and improve living standards. rural population in general.

Currently three areas remain a priority: lending to farms and private farms, partial reimbursement of purchased milking parlours and refrigeration equipment, and the creation and improvement of public pastures.

Particular attention should be paid to the development of small processing cooperatives in rural areas, which will allow small producers of agricultural products to create processing plants in order to sell their own products in local markets.

Table 2.

Forecast of influences on the interests of stakeholders

Stakeholder	Key interest	Expected (positive or negative) impact on key interest, indicating the expected dynamics of changes in key indicators (in numerical or qualitative terms)		Explanation (why the implementation of the act will lead to the projected effects)
		Short-term impact (up to one year)	Medium-term impact (after a year)	

Continuation of table 2.

You are a medium-sized producer of agricultural, food and processing products that intend to export	Obtaining skills and competencies to participate in international trade	Positive (the creation of an informational Internet resource in 2019)	Positive (constant informing)	Raising awareness of agricultural producers about foreign markets
	Access to foreign markets	Positive	Positive (by 2026 their number will be up to 30% of the total number of exporters)	Diversification of export entities
Producers of agricultural, food and processing products that export	Expansion of export markets	Positive (open markets of 10 key countries by 2020)	Positive (by 2026 open markets of 50 key countries for all product groups)	Opening markets of 50 countries
	Protection of interests in the foreign market	Positive (from 2018 schedule of trade missions and negotiation processes with selected countries)	Positive (2019-2020 change in the ratio between raw materials, products of primary processing and finished products in total exports of agricultural products, food and processing products from 55/34/11 to 39/40/21 at the end of 2026)	Initiation of trade missions, negotiations to improve market access
Exporters of low-quality products of agriculture, food and processing industries	Ability to export low-quality products	Negative	Negative	Development and implementation of mechanisms of responsibility for the supply of low-quality products of agriculture, food and processing industries

The set of measures to adapt enterprises of processing branches in the agro-industrial complex to modern realities should be aimed at:

- renewal of fixed assets of enterprises;
- regulation of regulatory support for measures of financial restructuring of enterprises and state support;

- development of algorithms for complex enterprise restructuring;
- adaptation of product standards to EU requirements;
- conducting state support for the creation of small processing enterprises of the service type (*Fig. 4*).

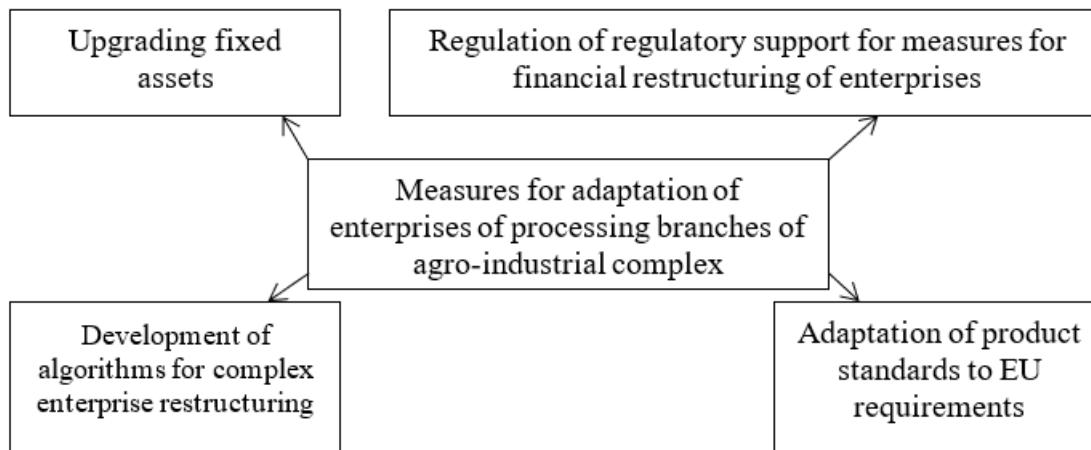


Fig. 4. Measures for adaptation of enterprises of processing branches of agro-industrial complex

Renovation of fixed assets of processing enterprises should be carried out through the development of state support programs and soft loans, which will increase the competitiveness of products and reduce its cost.