

12. Prerequisites for the formation of the land market in farms

12.1 Main directions of development of the farm land market

The Law of Ukraine "On Farming" reflects the legal framework of the farm in terms of land use. However, the right to sell or otherwise alienate a land plot, lease it, pledge it, or inherit it cannot be fully realized without the opening of the land market. The draft law 2178-10, which introduces the land market, contains a number of provisions that are also relevant for farmers, in particular: from July 1, 2021, the moratorium on the sale of agricultural land is lifted; from July 1, 2021 to January 1, 2024, there will be a restriction on the purchase of land - no more than 100 hectares per person, and from 2024 the restriction will be up to 10 thousand hectares per person; until January 1, 2024, only individuals will have the right to purchase land. It is important to note that the tenant's preemptive right to purchase and the minimum price is not less than the normative monetary value by 2030 [186, 187].

Farms that own land plots provided to them for farming are obliged by law to ensure the use of land plots for their intended purpose; comply with the requirements of environmental protection legislation; not to violate the rights of owners of adjacent land plots and land users; prevent the reduction of soil fertility and preserve other useful properties of land and a number of obligations to provide information, comply with sanitary and environmental requirements, and rules of good neighborl

In Ukraine, small farms own 35845 land plots of up to 500 hectares with a total area of 488 thousand hectares, lease 21213 plots of 374 thousand hectares, use 1129 plots of 28 thousand hectares, and 582 plots of 4 thousand hectares under emphyteusis agreements [189].

In 2018, farms used 11.3% of agricultural land (23.5% of agricultural enterprises). According to statistical data, in 2020, 26.7 thousand farms were engaged in business activities in the country, their number decreased by 5264, or 13.7%, between 2000 and

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2020. At the same time, the area of land use more than doubled - from 2157.6 to 4877.8 thousand hectares. Significant changes also occurred in 2018-2020 (Table 1).

Table 1.

The distribution of farms that carried out agricultural activities, by the size of agricultural land as of November 1

The size of the land	2018					2020				
	Number of farms		Area of agricultural land		Average area FH, ha	Number of farms		Area of agricultural land		Average area FH, ha
	Id.	%	thousand hectares	%		Id.	%	thousand hectares	%	
Farms that had agricultural land	30441	91,8	4707,2	100,0	154,6	26691	83,8	4817,8	100	180,5
including area, ha										
up to 3.0 hectares	1342	4,0	2,8	0,1	2,1	816	2,5	1,8	0,0	2,0
3,1-5,0	1430	4,3	6,1	0,1	4,3	985	3,1	4,2	0,1	4,3
5,1-10,0	2301	6,9	18,1	0,4	7,9	1729	5,4	13,6	0,3	7,9
10,1-20,0	3498	10,6	54,4	1,2	15,6	2797	8,8	43,7	0,9	15,6
20,1-50,0	10432	31,5	394,8	8,3	37,8	8795	27,6	332,4	6,9	37,8
50,1-100,0	4160	12,6	298,4	6,3	71,7	3947	12,4	282,5	5,9	72,3
Up to 100 hectares in total	23163	69,8	774,6	16,5	33,4	19069	59,8	678,2	14,1	35,6
100,1-500,0	5111	15,4	1193,3	25,4	233,5	5369	16,9	1258,3	26,1	234,4
500,1-1000,0	1216	3,7	855,6	18,2	703,6	1262	4,0	897,7	18,6	782,6
1000,1-2000,0	670	2,0	925,1	19,7	1380,7	690	2,2	951,3	19,8	1378,7
2000,1-3000,0	167	0,5	406,9	8,6	2436,5	171	0,5	411,1	8,5	2404,1
3000,1-4000,0	49	0,1	165,7	3,5	3381,6	65	0,2	219,2	4,6	3372,3
more than 4000,0	65	0,2	386,0	8,2	5938,5	65	0,2	402,0	8,3	6184,6
More than 100 hectares in total	7278	22,0	3932,6	83,5	540,3	7622	24,0	4139,6	85,9	5431,1
Farms with no agricultural land	2723	8,2	x	x	X	5160	16,2	x	x	x
Total number of farms	33164	100,0	4707,2	100,0	141,9	31851	100,0	4817,8	100,0	151,3

Based on this, it can be concluded that the opening of the land market will lead to significant structural changes in the forms of ownership and land use of farms.

In 2018, the area of agricultural land per farm was 141.9 hectares, which is 2.5 times more than in 2000. Thus, Ukraine is experiencing a constant consolidation of farms and an increase in land use.

The total number of farms decreased by 973 units (2.9%) compared to 2017. In our opinion, the reduction in the number of farms is due to their bankruptcy, mergers with more successful business entities, and the acquisition of their land resources and

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assets by large agricultural companies. Over the year, the number of farms that did not have land decreased from 3368 (9.9% of the total) to 2227 (8.2%).

The land masses of most farms remain less than 100 hectares - 23163 farms, or 69.8% of their total number, used 774.6 thousand hectares of land resources (only 16.5%), with an average of 33.4 hectares of agricultural land per farm. Although the situation improved somewhat in 2020, such small farms have limited opportunities to implement modern technologies, scientifically sound crop rotations, new technical solutions, and investment projects. They can achieve efficiency in closed ground farming, perennial crops, vegetable growing, and livestock farming.

It is important to note that for small and medium-sized farms, the main task is to:

– find their "niche" in agriculture, where the private property factor is significant and size is not crucial - labor-intensive types of production (small livestock products such as lamb, goat milk, honey), fruits and berries, vegetables, pig meat and all types of environmentally friendly products, green tourism, etc.

In contrast, large farms, whose land use exceeded 1000 hectares, account for 991 entities in total (3.1% of the total), with an average farm area of 1980.8 hectares. They own 1983.7 thousand hectares, which is 41.2% of the total area of farmland. Thus, over the period of development of farming, farms of different sizes have been formed, which are significantly polarized - from 1 hectare to several thousand hectares of land.

Farmers prefer crop production, while livestock production remains unattractive due to the unprofitability of most products. The share of crop production in the structure of gross output in 2018-2021 is about 94%, while livestock production is only 6%. The main value indicators of land use efficiency are gross output per 100 hectares of agricultural land. A comparative analysis of the efficiency of land use by farms and agricultural enterprises in general shows that farmers use land less efficiently (Table 2).

Table 2 shows that farms used land resources 1,1 to 1,3 times worse than agricultural enterprises during the analyzed period. Thus, while enterprises produced UAH 2324.2 thousand of gross output per 100 hectares of agricultural land in 2021, farms produced UAH 1873.5 thousand, or 24.1% less, during the same period.

Table 2.

**Gross agricultural production per 100 hectares of agricultural land,
UAH thousand**

Indicators.	Years							2021 to
	2000	2005	2010	2015	2016	2017	2021	2000,%
Enterprises	170,3	309,6	451,0	642,0	699,5	704,1	2324,2	1634,8
FA	144,8	223,4	278,9	435,3	498,0	474,7	1873,5	1293,9
Households	1490,0	773,1	642,4	677,7	697,3	504,2	1558,0	104,6

Table 3 summarizes the main directions for improving the efficiency of land use in farms.

Stimulating the development of farming is an extremely important task that will have an effect in many dimensions and will allow us to better prepare for the opening of the land market in the future.

The main reasons for the low efficiency of farms include the lack of a coherent and consistent state policy aimed at supporting farms that have land plots with a total area of no more than 100 hectares under cultivation, ownership and use; low opportunities to attract financial resources and investments for the operation and development of farms; and the inability to attract land resources for mortgage lending.

Table 3

Directions for improving the efficiency of land use in farms

The main factors	Content of the events
Natural and climatic	- taking into account regional production conditions in the farming culture; - introduction of adaptive crop cultivation technologies; - the use of biological potential natural fertility of agricultural land
Technology.	- rationalization of technological methods of soil cultivation; - Implementation of a scientifically based crop rotation system; - use of new crops, development of vegetable growing, horticulture, and viticulture, which provide a higher output per hectare of land; - development of animal husbandry and production of higher value-added products; - high-yielding varieties and hybrids; - increasing the level of mechanization of production processes, optimizing the timing of technological operations; - an effective system of plant and animal protection; - implementation of resource-saving technologies; - Intensification of production, increase in yields and more products per hectare

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Continuation of table 3

Material and technical	- optimization and combination of the system of agricultural machinery and equipment in accordance with the size of agricultural land and specialization; - Availability of production facilities for production , auxiliary and service processes; - supplying production with fertilizers, seeds, plant protection products, fuel and lubricants in crop production; - optimization of processes supply feed supply processes, veterinary and energy resources in livestock production
Organizational and economic	- improving the specialization and structure of production and market orientation of farms; - flexibility and adaptability of farmers to the price situation and market needs; - increasing the size of agricultural land by leasing and buying land; - Improving the organizational and managerial skills of farmers through advanced training and advisory services; - material and moral incentives for employees; - cooperation of farms in the production, transportation, storage, sale and processing of products
Social.	- Self-employment and improved living standards for farm family members; - Increasing employment and incomes in rural areas; - developing a sense of ownership and responsibility for family, employees, and business results; - participation in solving social problems in the village, including the use of community land resources; - continuous improvement of the professional level, qualifications and competence of the farmer
Environmental	- optimization of the structure of agricultural land; - biologization of production, production of environmentally friendly products; - land protection from pollution, optimal application of fertilizers and pesticide application; - soil protection technologies

Stimulating the development of farming is an extremely important task that will have an effect in many dimensions and will allow us to better prepare for the opening of the land market in the future.

The Government has adopted a resolution defining the areas of state support for the agricultural sector in 2020 under the program 1201150 "Financial Support for Agricultural Producers".

It provides UAH 4.2 billion for the following five areas (Fig. 1).

The problem is that today the issue of supporting farmers in the land market has no legal basis. The mechanism of providing loans to farmers on preferential terms for the purchase of agricultural land is being actively discussed. Demand for loans will depend on the size of the loan rate and the terms of its provision.

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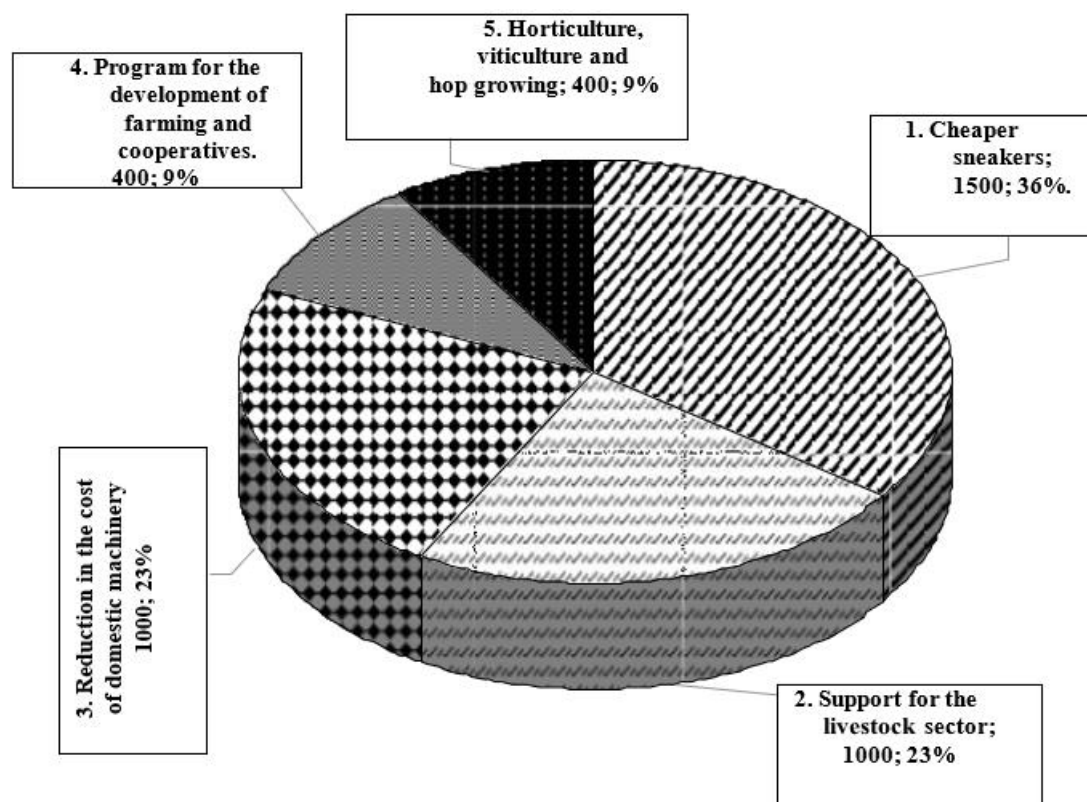


Figure 1. Areas of state support for the agro-industrial complex in 2020 under the program 1201150 "Financial support for agricultural producers", UAH million

The main problem of a small farmer who cultivates up to 500 hectares of land is the lack of credit history and collateral, so banks actually refuse to work with them. On the other hand, farmers will be at a competitive disadvantage. The cost of loans will be at 5-6 percent, while large agricultural holdings can get them from EU banks with a zero interest rate.

The implementation of the developed set of organizational, economic, technical, technological, social, natural and environmental measures will contribute to the growth of efficiency and efficiency of farms (Fig. 2).

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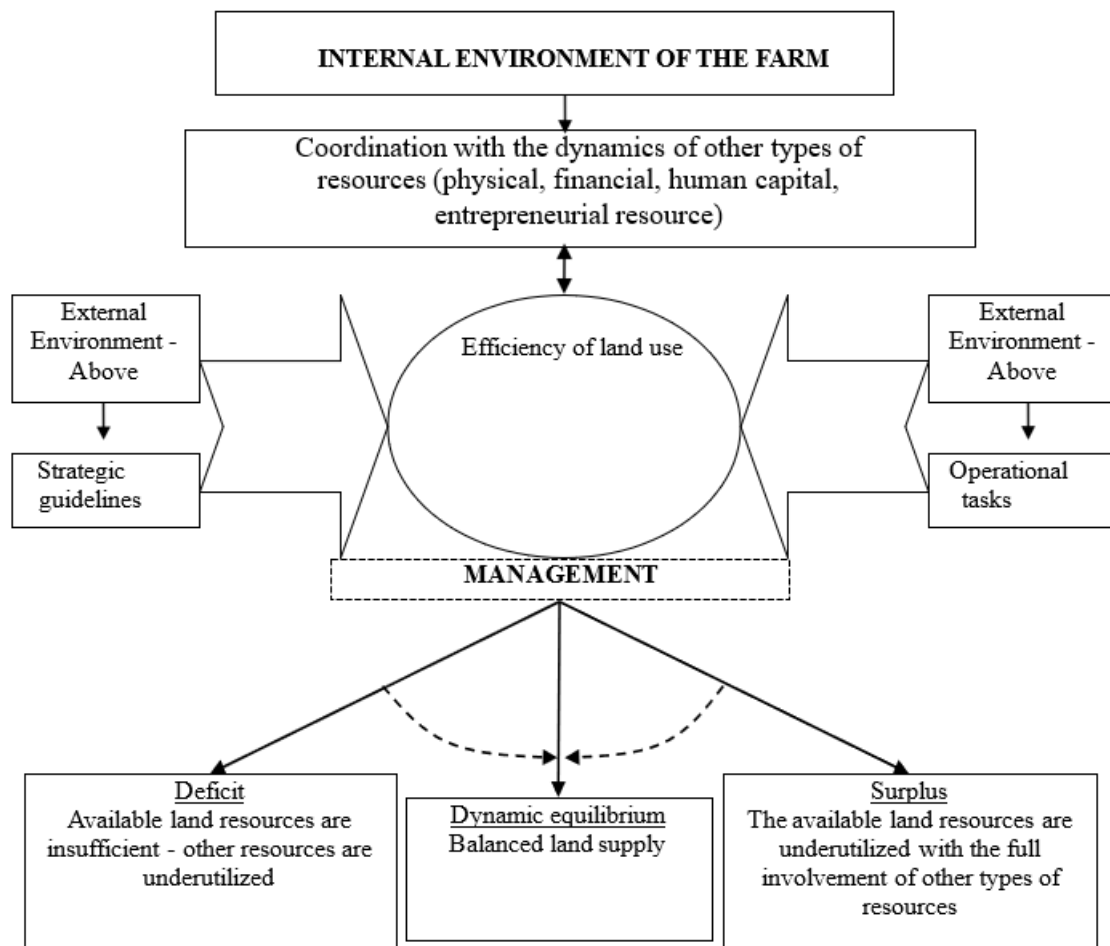


Figure 2. Model of land management of a farm

The role of state support and legal regulation in the formation of the land market is growing, as farms do not have sufficient funds, collateral and experience to compete with large enterprises in the context of privatization processes.

Prospects for further research on marketing support for the development of the land market will be related to identifying the level of technical support and capitalization in farms and its impact on the efficiency of land use.

12.2 Marketing support for the functioning of farms

Market transformations in Ukraine's economy have led to the formation of a multi-faceted system of state ownership in the agricultural sector, where farms have developed alongside state-owned, private, leased enterprises, business associations, and production cooperatives. The functioning of such enterprises in market conditions objectively requires strategic orientation and prospects for adaptation to current

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changes in both the internal and external competitive environment, gaining advantages in the production of high-quality, affordable goods, and therefore, studying, operational analysis and application of marketing support.

Theoretical research and practice of agricultural enterprises confirm the extreme importance of marketing support. Agricultural enterprises have already begun to apply elements of marketing planning in their activities, and gradually these elements have acquired the features of systematic, comprehensive and reasonable. Marketing is the basis for a better organization of production, strengthening the competitiveness of the business entity in the market, and forming its image in the socio-economic environment.

The transformations that took place during the agrarian reform have led to the need to expand the range of research on marketing activities in the agro-industrial complex. The scientific literature highlights the theoretical aspects of marketing activities, and the concepts of "marketing", "marketing activity", and "market" are considered in detail.

Despite the achievements of agricultural scientists, there is still no clear understanding of the mechanism by which agricultural producers can survive in an environment where the state is gradually withdrawing from such functions as procurement and marketing of agricultural products. In this case, the most effective way would be for commodity producers themselves to create tools that would facilitate the organization of marketing activities at the enterprise, which would significantly increase the efficiency of production. That is why the relevance of the research topic is undeniable.

Today, agricultural production and Ukraine's agro-industrial complex as a whole are in the center of public attention, as the processes observed in this sector cause great concern among the Ukrainian population and exacerbate social tensions.

The modern agricultural sector faces complex production relations and difficulties in the system of land ownership relations in the process of agricultural production, distribution, exchange and use.

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Ukraine's economic development is taking place in a depressed state in most sectors of the national economy, including agriculture. Increased competition, deepening structural imbalances in production and demand, and the constant need of market players to find solutions aimed at reducing risks make it necessary to develop and implement effective strategies for the development of the agricultural sector and the formation of its production and commercial potential.

In the system of market economic relations, agriculture is gradually adapting to the business environment due to a number of specific features of the industry, including agrobiological factors, low elasticity of demand, seasonality of production, which requires the search for effective tools for flexible adaptation of the enterprise's capabilities to market requirements. It is the introduction of the marketing approach into the practical activities of agricultural producers that will ensure more rapid adaptation of enterprises to the market environment and ensure their competitiveness and sustainable development.

Foreign experience and domestic practice show that marketing is an important component of agricultural enterprises' activities in their market orientation, which provides wider opportunities for their development. However, the introduction and application of the marketing concept among Ukrainian producers is very slow. Therefore, the issue of developing marketing activities in the current economic environment is extremely relevant, and with Ukraine's accession to the WTO, it is one of the top priorities.

The refusal to combine the mechanisms of state regulation of the market with its self-regulating action in the absence of civilized market relations in Ukraine has led to a significant imbalance in the agricultural market. The problem is that the formation and functioning of market institutions in the country is not supported by an adequate regulatory framework. With Ukraine's accession to the WTO, the development of the agricultural sector of the economy should follow an innovative path, with increased state support for the functioning of the agro-industrial complex and the social sphere of rural areas through "green box" measures, improvement of legislation and the regulatory framework for the development of the agricultural sector, which stem from

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WTO requirements and EU directives. The lack of modern agricultural market infrastructure is considered by domestic and foreign experts to be one of the main reasons for the low efficiency of Ukrainian agricultural production.

In the agricultural sector of the economy, the basis of modern small and medium-sized businesses is made up of farms, whose operating practices indicate that they do not require large expenditures and ensure high capital turnover and guarantee profit if possible within the acceptable risk.

They should be viewed not as an alternative to large-scale production, but as an objectively necessary complement to it, which will allow for a fuller disclosure and utilization of the potential of agriculture. From this point of view, the functioning of farms creates preconditions for increasing the efficiency of the agrarian economy, expanding the search for rational forms and methods of using natural and economic resources of agricultural production.

The need for the existence and further effective development of farms is related to the fact that they ensure the replenishment of the volume and range of agricultural products; rational use of material and labor resources; saving of investments in agriculture; growth of efficiency and productivity of land use; reduction of losses of agricultural products; replenishment of the local budget, etc. A farm is defined as a complex form of territorial organization of agro-industrial production, a specific type of rural settlement that organically and compactly combines land and a farmstead with industrial, commercial and residential buildings, machinery and equipment. Its purpose in the first 10-15 years of its formation was to provide food for the family, develop local food markets, and form a middle class in rural areas. In a narrow sense, a farm is a production unit (enterprise) of a rural type, the purpose of which is to make a profit and perform social functions.

The development of farming in Ukraine faces the following challenges:

- lack of necessary equity capital;
- lack of material and technical base due to weak financial support and insufficient credit support;

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- imbalance in the parity of prices for industrial and agricultural products, crop and livestock products;
- the imperfect taxation system encourages farmers to barter and conceal part of their production;
- the psychology of peasants towards private farming is not sufficiently formed;
- low level of organization of farmers' cooperatives and associations;
- imperfect legal protection of farmers (peasants) from the bureaucratic apparatus of the state and collective agricultural enterprises.

In the methodology of studying farms, the assessment of their economic efficiency is of particular importance, where the main criterion is profitability (as added value per unit of resources - 1 hectare, 1 employee, 1 UAH of production costs). In general, the economic efficiency of production is determined by the ratio of the results obtained to the costs of inputs and labor. In relatively small farms, the priority factor of their productivity, efficiency and sustainability is always the factor of high motivation of the owners to run the farm efficiently.

Speaking about the efficiency of production in farms, it should be noted that it is somewhat different from the efficiency of production of agricultural enterprises and other organizational forms. Since farms are based on the labor of their owners, the criteria for efficiency are primarily the total amount of sales revenue and gross income, while for other organizational forms and agricultural enterprises the criteria are profitability and profit. To assess the level of efficiency of a farm, the result obtained by it is compared with the costs or resources used. The profitability of a farm is determined by the level of profitability, which shows the amount of profit per 1 UAH of production costs.

The specificity of agriculture determines a set of factors for achieving high efficiency, among which land is of particular importance as the main means of production, and in livestock production - productive livestock. Therefore, the assessment of the useful effect in agricultural production, and for the farmer - profitability, always refers to and correlates with the land area or productive livestock. The economic efficiency of agricultural production means obtaining the maximum

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amount of output from 1 hectare of land, from one head of livestock, with the least labor and money spent on the production of a unit of output. Production efficiency also reflects the quality of products and their ability to meet certain consumer needs, which requires additional costs of live and embodied labor. Increasing economic efficiency ensures the growth of farm incomes and is the basis for expanding and improving production. In this sense, economic efficiency fully applies to farms that operate to maximize their economic results and minimize costs to achieve a certain result: reducing the cost of sales, increasing the number of farms that operate profitably. In a market economy, a commodity producer, such as a farmer, works to make a profit. If production does not provide an average rate of return that is prevailing in the relevant industry or market, it loses its meaning.

Farming in Ukraine, as in other countries, is heterogeneous in terms of land area, number of employees, and volume of products sold.

Marketing as a theoretical concept allows agro-industrial entities to better adapt to the conditions of a market economy, because marketing activity is inherently a clear organizational form of modern commodity production with appropriate content and is of great importance for improving agro-industrial production. We believe that this activity will help to unite the efforts of agricultural producers, processing industry and trade enterprises not only at the stage of product sales, but also at the stage of determining the nature and scale of its production, ways to use the production capacities of enterprises profitably, and determining mutually beneficial conditions for product promotion, taking into account the maximum satisfaction of the needs of end consumers.

Marketing related to agricultural products is much more complex than other types of marketing. This complexity is due to the variety of methods and ways of its implementation. The use of a variety of such methods is explained by the large number and variety of products produced, their targeting and importance for the end consumer.

Marketing as a tool of market activity ensures the optimal speed of promotion of agricultural products, which correlates the most favorable rates of their sale and turnover with minimal costs for stock storage, as well as the ability to fully satisfy

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consumer demand. Thus, marketing acts as an accelerator of the processes taking place in the production-exchange-consumption system.

Almost any activity in the field of marketing involves searching for and analyzing information about the market, products, consumers, intermediaries, suppliers and competitors. The profession of a marketer requires that you constantly monitor new trends in your own and adjacent markets, as well as dynamic processes in this area of activity.

In agricultural enterprises, mainly large ones, marketing departments are beginning to be created, which work by inertia on an intuitive basis. Farmers' interest in marketing is also growing, as they realize that, compared to most commodities, agricultural products are characterized by increased bulkiness (grain, roughage, etc.) and a tendency to spoil quickly (meat, milk, vegetables, fruits). Large volumes of products affect the marketing functions related to physical manipulation. Bulky products take up a lot of space and require appropriate premises and conditions. Consequently, in relation to their value, they are much more expensive to transport and store.

In addition, the volume of farm output varies from year to year, determining the reaction of farmers to prices, government measures, and, in addition, the quantity and quality of products. Changes in output depending on these factors affect the agromarketing process. Under these conditions, the way out for a farmer is to sell his products quickly.

Due to rapid spoilage, urgent deliveries and certain storage conditions are required (temperature conditions for vegetables and fruits, cooling of milk, freezing of meat). All of this incurs additional costs, distracts from core production, and leads to higher product prices.

Changes in farmers' agricultural output, in turn, are of great importance for food marketing firms that specialize in the production of certain types of food products. For example, a sharp decline in the harvest of wheat will affect flour mills and bakeries, but will not affect processors of food raw materials (sugar beets, sunflower) or wineries. Changes in the supply of products from farms have a significant impact on

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purchase prices, storage needs, and utilization of processing facilities owned by food marketing firms. The desire to reduce the risk and uncertainty caused by fluctuations in farm supply is leading to closer contractual ties between marketing agencies and farms, and more active market participation by farmers.

In recent years, the seasonality in the supply of fresh produce grown in Ukraine and abroad has been significantly reduced. This is due to the transportation function of food marketing. The expansion of export opportunities for intermediaries leads to a deepening of the specialization of rural enterprises. This specialization lengthens the food marketing chain and increases the importance of its transportation function.

Farms spend about 90% of their income on chemicals, seeds, labor, inputs, land, and other inputs in the course of their production activities. The successful development of agriculture leads to increased purchases of these goods outside the farms. This leads to an increase in the importance of the sector of the economy that supplies these inputs to agriculture. The increased dependence of agriculture on external inputs has made their economic well-being dependent on the non-agricultural sector of the economy.

In agriculture, there are many contradictions when the interests of one farmer diverge from those of a certain group of other farms. This applies primarily to the process of price formation. For example, prices for some products are quite high on the market, and this ensures high profits for the farm. It is logical for the farm to increase the output of these products. But if all farmers want to expand the production of this product, market prices and, consequently, profits per unit of this product will decrease.

On the other hand, the problem with agromarketing is the very small gap between the selling price and the cost of production, which is due to competition in agriculture.

Undoubtedly, the implementation of integrated marketing by an agricultural enterprise is a complex task. At the same time, it is necessary to use a systematic approach to marketing support for the functioning of agricultural enterprises, since the absence of at least one of the elements of the aggregate may lead to a loss of opportunities or failure to solve the tasks.

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Ukraine's food market is filled with agricultural products mainly at the expense of domestic production, but in recent years there has been a trend toward increased imports of food products, which, due to low purchase prices, is detrimental to domestic producers.

At the current stage, the farm's management adheres to the production and sales philosophy of business, but in accordance with market requirements, it is necessary to move to a marketing business philosophy (Table 6.1).

A characteristic feature of agricultural sales in a market environment is the small capacity of the primary agricultural market, i.e., the supply of products by producers directly to processing companies. The formal creation of a large number of infrastructure formations did not affect the profitability of agricultural producers' sales.

The various departments and services that ensure the company's products enter the market have an impact on it; they are not stratified, but are concentrated under the head of a manager who is responsible for market operations, coordination and integration of sales, information and research, advertising and sales promotion, and the company's product range planning and market activities.

Marketing is considered not as one of the elements of enterprise management, but as its main function, which determines the content of all production and economic activities of the enterprise.

It is proposed to improve the process of selling products and increase profits by creating their own network of marketing cooperatives and marketing groups in agribusiness. This applies to enterprises that are not able to maintain a marketing service.

By increasing the volume of products sold, manufacturers can strengthen their market positions. In many markets, it is profitable to sell large quantities of products. But more importantly, a marketing group can reduce the distance between the market and the individual producer. In some cases, the marketing group guarantees its members the security of investing in the processing of agricultural products, which allows them to increase the price of the final product.

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At the first stage, the development and use of marketing tools implies a transition from tactical to strategic steps, i.e., the expansion and deepening of the analytical function of marketing at the enterprise. The intensification of sales activities does not guarantee full adaptation to the impact of environmental factors and does not ensure favorable market positioning.

The majority of producers sell their products directly within the district in which the farm is located (about 70% of farms). Slightly more than a quarter of the production is exported to other districts (26%) and only 5% is sold in other regions. Farms that are better equipped with their own vehicles have wider markets.

Farmers tend to believe that there is no acute problem in expanding markets for agricultural products. However, the absence of large batches of marketable products for sale to other regions of the country is one of the reasons for this attitude. At the same time, we dare say that in many cases, farmers do not yet fully realize all the benefits of expanding markets and sales channels. This could result in less dependence on a limited number of buyers and the possibility of obtaining a more favorable price.

Farms should establish connections with consumers by using "direct marketing" activities. This requires thorough market research and consumer behavior prior to the start of agricultural production. Unfortunately, most farm owners in Ukraine produce their products and then look for a market, which is too risky. As a result, it has become commonplace for the Ukrainian agricultural market to experience a "wave-like" supply of agricultural products over the years, resulting in overproduction of one type of product, which causes a drop in the price of that product, and underproduction of another type, which leads to unsatisfied demand and unreasonable increases in the selling price.

The design of distribution channels is based on various factors that take into account customer and organizational strategic characteristics, as well as the state of the external environment. An important element of the system is the integration of distribution channel strategies with marketing tools: advertising, pricing, and sales strategies.

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An important aspect of ensuring competitiveness is the development of marketing, since the farmer's activity begins long before the production of products and continues after their sale. The main areas of marketing use are continuous study of the state of consumer demand satisfaction; flexible response of production to information; change in the mechanism of interaction between production and trading operations, the role of wholesale fairs, auctions; knowledge of market conditions and active use of information in the process of forming a production program.

Experience in implementing marketing in agricultural

The use of marketing in enterprises, especially in farms, is small, but there are already a number of enterprises, including farms, that have already begun to implement the concept of marketing based on the following principles:

- focusing on long-term goals in close cooperation with the overall strategy of the farm;
- adaptation of the agricultural enterprise to the impact of the environment through a system of continuous monitoring of the environment;
- accounting in the company's activities and agromarketing control.

Thus, improving the efficiency of farms requires improving the process of selling products and increasing profits by joining a network of marketing cooperatives and marketing groups in agribusiness. They are created to reduce sales costs, achieve economies of scale, and strengthen their positions in trade operations.

Farms should establish links with consumers by using "direct marketing" activities. This requires careful market research and consumer behavior prior to the start of agricultural production.

The system of marketing support for the activities of agricultural enterprises should include: organizational structures of marketing management, information support for the process of making and justifying management decisions, formation of a system of agromarketing research, strategic and tactical planning.

Conclusions. The management of land resources of a farm cannot be considered in isolation from other components of the farm.

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These components include elements of the external environment that adjust the direction of land use and influence the ability to achieve the desired results. The internal environment of the farm is formed in the interaction of various production and financial factors.

The complexity of management lies in the fact that not only the production but also all subsystems of the farm's functioning, especially the logistics one, are subject to a radical revision. However, it is through the implementation of these measures that land management (elimination of the stripes, separation of remote fields outside the main array), optimization of land use and achievement of maximum management efficiency are possible.

Despite the insufficient level of material and technical support, Ukrainian farms have demonstrated a relatively stable improvement in production performance in recent years. At the same time, farms have certain inherent features that should be taken into account when managing the land resources of this category of agricultural formations. In the case of changes in land use parameters, attention should be paid not only to the production but also to all subsystems of the farm's functioning. At present, there are obstacles not only of an economic but also of a legislative nature that significantly complicate the process of land management.

Therefore, improving land use indicators in Ukrainian farms should combine measures to justify the rational size of land areas, as well as effective management of property rights to agricultural land plots.

Farms grow institutionally if new resources, including land, are attracted, staff qualifications are improved, etc. Institutionalization, on the one hand, stimulates the entrepreneurial activity of farms, their economic growth on the basis of structural and innovative reproduction of production potential, the establishment and functioning of farming as a socio-economic system, and on the other hand, it helps to overcome contradictions between the economy and agricultural producers.

In Table 4, the institutional environment for the development of farms is assessed using SWOT analysis in terms of institutions and institutions that have a direct impact on farm performance.

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The results of the SWOT analysis suggest that the gaps in the institutional environment for farm development can only be filled through a radical transformation of land ownership as part of a change in agrarian relations in general.

Table 4

SWOT matrix for assessing the institutional environment of farm development

	Strengths	Weaknesses
Internal environment	Mental attachment of farmers to land cultivation, which ensures continuity of agricultural production	Poor investment attractiveness (interest) in farming activities
	The liquidity of the elements of production potential assets (including land) secured by private land ownership	Institutional traps caused by the lack of The current state regulation of farming activities
	Rapid diversification of farming activities and rationalization of production no potential of farms	Low level of social responsibility of farmers for the impact on social and environmental not environment
	Readiness to generate innovative changes in the reproduction of the production potential of farms	Uncompetitiveness of small batches of agricultural products
	Opportunities	Threats
External environment	Enhancing the development of farming as a strategic of the agricultural sector	Growth of the financial crisis
	The interest of civil society organizations in the process of reproduction of productive capacity al of farms	Inefficient financing of state programs for the development and support of farmers' farms
	Focus of agricultural policy on global integration processes, which promotes exports farm products	Focusing market infrastructure on large agricultural producers productions
	Environmental protection through greening of production	High level of transaction costs in agribusiness and the conservative way of thinking of representatives of certain institutions

This, in turn, will create real, rather than formal, producers with ownership of the means of production and the products they produce.

Thus, the institutional environment for the development of farms has been assessed using SWOT analysis in terms of institutions and institutions that have a direct impact on the performance of farming.

Conclusion. The institution of farming is the social, economic, and demographic basis for the development of Ukrainian rural areas. The problems of farming as an institution still exist outside the theory and methodology of research on the

development of farms in Ukraine. Therefore, the institutional environment should ensure the formation of new rules of the game for the development of market relations in which farms are participants. The system of interaction between institutions, one of which is farming, should be open and able to adapt to changing environmental conditions and market conditions.

The main obstacle to the formation of an institutional model for the development of farms is the so-called merger of political and economic institutions, which has led to the emergence of transformational rents and the predominance of large agricultural business. If enterprises of different organizational and legal forms in agriculture operate in unequal socio-economic or legal conditions, this leads to the subordination of the economic interest of one entity to another. In such a situation, farms, as structures that have less production potential in physical terms than large agricultural enterprises, lose their desire to achieve significant economic results, which leads to a delay in the process of farming development.

The instruments of the institutional component of the development of family commodity production in rural areas should include: regulation of the reproduction process by all levels of government, market (opportunistic) regulation, infrastructural support, self-development and self-regulation of the reproduction process of production potential by farms, and promotion of the reproduction of production potential by public organizations.

For reference: In Ukraine, as in most highly developed countries, the agricultural sector is dominated by the family form of management. This is evidenced by the fact that almost 75% of farms in our country are based on the work of one family, about 25% are based on two or three families, and only a small number are based on more than three families.

Features of work: Compared to individual farms, farms have much larger plots of land; a high level of labor mechanization; adhere to production technology requirements; apply innovations and modern technologies; have established links with banks, insurance companies, and other business entities; have better information support; and have a higher level of employee qualifications and education.

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Farming is a very risky business, and much of it depends not on humans, but on the weather, the market, and his majesty, chance. However, a well-organized farm can be very profitable.

Requirements for individual traits. A farmer must possess such traits as high efficiency, physical strength and endurance, and the ability to work even in adverse weather conditions (for example, in an open field in bad weather). Of course, he or she needs knowledge and skills related to the specifics of the agricultural products he or she is engaged in.

Professional training requirements. A true farmer cannot do without knowledge of crop production, dendrology, beekeeping, poultry, and livestock, depending on the direction of the farm. Experience with agricultural machinery is also required. Regardless of the level of the farm, special knowledge of the basics of agricultural technology, animal husbandry, veterinary medicine, sanitation; methods of processing agricultural products; safety rules for working with agricultural machinery and equipment, peculiarities of working with pesticides, fertilizers, herbicides used in agriculture, etc. is required.

Nature of work. The work of a farmer is classified as medium-duty physical labor. Both women and men of all ages can work as farmers. The farmer organizes and performs a wide range of labor operations, as he or she has to operate machine and tractor units, perform repair, locksmithing, welding, construction work, engage in breeding, harvesting, processing, preserving livestock, harvesting fodder, fighting crop pests, and providing veterinary care to animals.