On the Issue of State Support of Agriculture: Regional Aspect

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ABSTRACT

Agro-industrial complex (AIC) - A complex socio-economic system, which includes companies with different forms of ownership and management. State regulation should ensure the effective functioning of AIC as a single mechanism, taking into account the equality of all forms of economic entities, based on the harmonization of their interests. In addition, AIC is complex and biotech system. In agriculture, the most important use natural means of production. Land, water, etc. On results of operations is greatly affected by climatic and meteorological conditions, which determine the risky nature of production in agriculture. Agriculture, in view of the fact that this industry is the most capital and energy-intensive, less attractive to investors and entrepreneurs. In its development agriculture and food yields 33 processing industry, which uses imported raw materials, the volume of which is growing faster than domestic production. Therefore, state regulation and support the development of AIC - A objective necessity of a market economy.

Keywords: Economy, Agriculture, Government Support

JEL Classifications: E20, O13, O38

1. INTRODUCTION

The largest national economic complex of the country, a vital sector of the economy is agriculture. It accounts for 1/6 of the gross national product (30%), 1/4 of the country’s fixed assets of agricultural products generated 2/3 (75%), consumer goods. Agriculture of the national economy is a set of interrelated industries technologically and economically. The overall aim of the activities of these sectors are: Food security of the country, the most complete satisfaction of the needs of the population for food and consumer products from agricultural raw materials, improvement of living and working conditions of the village on the basis of increase of efficiency of functioning of complex (Babashkina, 2006).

In the structure of agro-industrial complex (AIC) are three main unit. Each of these units has a specific function. The first link - the most powerful, central - agriculture (45% of production). It differs from other industries in that its development depends on natural factors and is highly seasonal nature of production, a major and indispensable working tool is the earth. In agriculture, are the two most important sectors: Crop and livestock production; forestry. The second link - serving - the production of means of production for agriculture and industry, the processing of its products. This link determines the overall level of intensification of AIC: Provides agricultural machinery, fertilizers, feed, etc. The third link - this industry, processing of agricultural raw materials; Industry engaged in harvesting, storage, transportation and marketing of agricultural products, light industry.

State regulation is intended to ensure effective functioning of AIC (Khabalov, 2014) as a single mechanism, taking into account the equality of all forms of economic entities, based on the harmonization of their interests, which will lead to sustainable development in the AIC as a whole. In November 1990 the laws were adopted: “On peasant (farmer) economy” and “On the land reform.” Since then, and began reforming the agricultural sector (Khabalov, 2014).
The validity of theoretical propositions and reasoning findings presented in the study is provided by the use of general scientific and general economic approaches to the study: Systemic-functional, abstract and logical, as well as monographic survey methods, comparative analysis and instrumental techniques of scientific knowledge (Materia et al., 2015): The SWOT-analysis and graphical visualization techniques indicators.

Information and empirical basis is formed on the basis of the information submitted in the official publications of the Federal State Statistics Service (Rosstat) and its regional offices, the data of the Department of Complex Development of the AIC of Krasnodar region, information resources on the internet. The paper used as the materials of scientific conferences, monographs, publications and periodicals (Mullakhmetov et al., 2015).


The development of a methodology for analyzing the development of AIC of the economy is reflected in the works of Krylatykh (2005), Bespakhotny (2010), Gasanova and Kamilova (2007), Uzun (2008).

The study of specificity and increase investment in agribusiness management efficiency of scientific papers devoted to Bautin, Zaruk, Ushachev and others. The obtained results of research can serve as a basis for more in-depth study of the problem (Bautin, 2012, Ushachev, 2013).

2. RESULTS

At the national level to achieve the objectives of sustainable development of agriculture was developed and adopted for the implementation of the State program of development of agriculture and regulation of agricultural products, raw materials and food for 2013-2020, approved by Resolution of the Russian Government dated 14.07.2012 No. 717 (hereinafter - the State Program). The state program of development of AIC for 2013-2020 was developed in accordance with Article 8 of the Federal Law of December 29, 2006 No. 264-FZ “On the development of agriculture” (Khamatdinova, 2013).

The objectives of the State program for the period up to 2020 are (Consultant Plus, 2015):

- Ensuring food independence of the country within the parameters set Doctrine of the Russian Federation food security.
- Increase the competitiveness of Russian agricultural products in domestic and foreign-based agribusiness development of innovative markets, optimization of its institutional framework, create an enabling environment for enterprise development, and improve the investment attractiveness of the industry.
- Ensuring the financial stability of agribusiness producers (Guirkinger et al., 2015).
- Reproduction and more efficient use of agricultural land and other natural resources, cleaner production.
- Sustainable development of rural areas.

Within the framework of the State program of state support of AIC is in the form of subsidies from the federal budget to the budgets of the Russian Federation in the following areas:

- To support livestock breeding
- For the purchase of chemicals
- To support reindeer breeding and horse breeding, sheep breeding
- Insurance of crops and perennial plants
- For compensation of expenses on payment of interest on credits (loans)
- On the development of crop, including seed production
- For the implementation of economically important regional programs of the Russian Federation (Kuban ICC, 2016).

The powers of state support for agricultural producers transferred to subjects of the Russian Federation. With financial support from the federal budget to the Subjects of the Russian Federation to establish a fund to facilitate lending to small and medium-sized businesses (guarantee funds) to ensure the availability of credit resources. Their job is to provide guarantees for loans obtained from commercial banks by small and medium-sized enterprises, with insufficient collateral.

Algorithm for obtaining state support of agricultural producers present in Figure 1.

From the federal budget in the 2010-2013 period. The budgets of the Russian Federation in the framework of the State program provides funding for co-financing for the implementation of the following measures of state support for agricultural production:

1. Subsidies for reimbursement of the cost of interest on credits (loans) are regulated by Government Resolution dated February 4, 2009 No. 90 “On the distribution and provision of subsidies from the federal budget to the budgets of the Russian Federation for reimbursement of the cost of interest on loans obtained in the Russian credit organizations, and loans received in agricultural credit consumer cooperatives.”

2. Subsidies for the payment of the cost of insurance of agricultural crops and perennial plants are regulated by Government Resolution dated December 31, 2009 No. 1199 “On approval of rules for provision and distribution of subsidies from the federal budget to the budgets of the Russian Federation to compensate for part of the cost of crop insurance crops, crop perennial plantations and planting of perennial plants.”

3. Grants to support livestock breeding are regulated by Decree of the Government of the Russian Federation on January 31, 2009 No. 79 “On approval of the distribution rules and the provision of subsidies from the federal budget to the budgets of the Russian Federation to support the livestock breeding.”

4. Subsidies to support reindeer breeding and horse breeding, sheep breeding are regulated by Government Resolution of 20 December 2010 No. 1069 “On approval of rules for granting subsidies from the federal budget to the budgets of subjects of the Russian Federation in support of sheep breeding, reindeer breeding and horse breeding.”

5. Subsidies for reimbursement of expenses for the purchase of feed are regulated by Government Resolution dated...
March 21, 2011 No. 179 “On approval of rules for granting subsidies from the federal budget to the budgets of the Russian Federation for reimbursement of the costs of agricultural producers purchase feed to maintain large breeding stock cattle.”


7. Subsidies to support economically significant programs of development of agriculture of the Russian Federation are regulated by Decree of the Russian Federation December 17, 2010 No. 1042 “On approval of the Rules of distribution of subsidies from the federal budget to the budgets of the Russian Federation to support economically significant regional programs for agricultural development entities Russian Federation.”


Thus, over the period 2009-2011. The total amount of budgetary allocations, aimed at the development of agriculture in accordance with the Federal Law of 13.12.2010 No. 57-FZ “On the Federal Budget for 2011 and the planning period of 2012 and 2013” reached 149.7 billion rubles in 2011. The volume of financial support of the State Program 118.0 billion rubles.

On behalf of Prime Minister Vladimir Putin to the Russian Ministry of Agriculture in 2011 in the framework of the State program in addition allocated 7.0 billion rubles.

The total amount of financial support of the State Program amounted to 125.0 billion rubles in 2011, which corresponds to the resource provision of the State Program approved by the Russian Federation Government of 14.07.2007 No. 446 of them:

- The realization of the federal target program “Conservation and restoration of soil fertility of agricultural land and agricultural landscape as a national heritage of Russia in the years 2006-2010 and for the period till 2013” is planned in the amount of more than 11.0 billion rubles.
- The realization of the federal target program “Social development of village till 2012” - 7.7 billion rubles.
- To support the livestock industry - to 10.7 billion rubles, including 5 billion additional funds allocated for the maintenance of breeding stock of cattle.
- To support crop industries - 4.8 billion rubles, of which, on behalf of Russian Prime Minister Vladimir Putin, an additional 1 billion rubles allocated for the support of elite seed and 1 billion rubles for the purchase of chemicals (mineral fertilizers).
- On agricultural market regulation, raw materials and food - 6.1 billion rubles.
- A risk insurance - 5.0 billion rubles.
- To support economically important regional programs - 1.0 billion rubles.
- The provision of subsidies to the budgets of RF subjects to compensate for part of the cost of interest on loans and borrowings attracted by agricultural producers - 80.3 billion rubles.
- Of them to compensation of interest rates.
• On investment loans (loans) - 59 371 million rubles.
• On short-term credits (loans) - 14 645 million rubles.
• On credits (loans) to support small farms - 6300 million rubles.

Other inter-budget subsidies are not included in the State Program:
• Subsidies on credits (loans) to support industrial fisheries - 140 million rubles.
• Also in 2011, to support the objectives of poultry producers, pork and eggs from the federal budget has been allocated funds amounting to 9 billion. Rubles in subsidies to balance the budgets of the Russian Federation (Support MCX, 2011).

State support of development of regional agrarian and industrial complex is also noticeable in the current economic conditions. Krasnodar region of the few regions is a guarantee of food security in all Russian large population. Agriculture in the Kuban - diversified. More than a hundred different crops grown in the province. From all that is done in Russia, Krasnodar region provides Russian consumers about 70% of rice, 27% of sugar beet, 40% of grain corn, 10% of grain, grapes about 50%, 20% sunflower, almost all the tea, citrus and other subtropical crops.

APK Krasnodar Territory includes 767 farms for the production of 60 collective farms, state farm 4, 703 - the new units, 137 companies serving agriculture, 18997 - (peasant) farms. Top edge of the means of production - agricultural land with a total area of 4.5-million hectares, of which 3.9 million hectares - arable land, 77,000 hectares - vineyards. However, land monitoring, shows that the condition of the soil cover edge closer to the line, which will land degradation.

Krasnodar region has a strong competitive advantage and good investment potential. Agriculture edge consists of two sectors - and animal husbandry. The total amount of livestock production amounted to over 74 billion. Rubles in the region by the end of 2014, it exceeded the indicators of 2013 to 4 billion. Rub. livestock industry is beef and dairy cattle, pigs and poultry. The share of livestock production is 26% of GDP. In the Krasnodar region has registered about 60 companies that operate in the field of livestock breeding. The number of pigs is 307 thousand heads of cattle - 583 thousand heads, for the year 2012 grown almost 500 thousand tons of livestock and poultry in live weight and it is necessary to 1.3 million tons of milk. On April 1, 2014 in all categories of farms the cattle population reached 556.5 thousand heads or 95.5% on the corresponding period of 2013, including cows - 223.0 thousand heads or 93.8%. The number of pigs has increased to 306,800 head, or 100.1% compared to I quarter of 2013, sheep and goats - 207.7 thousand heads or 110.1%. Several reduced poultry stock - 26,296,800 heads or 97.2%.

In 2013, according to RosStat, it produced agricultural products in the amount of 258.2 billion rubles, in the Krasnodar region, including crop production - 190.1 billion rubles, livestock production - 68.1 billion rubles.

More than 5,400 enterprises of large, medium and small businesses form the basis for the industrial production of the Krasnodar Territory. Industrial centers are Krasnodar, Armavir, Tikhoretsk, Novorossiysk, Kropotkin, Slavyansk-on-Kuban, Crimean and Timashevsksy areas.

AIC Krasnodar region up branches which are engaged in processing of agricultural raw materials. It’s light industry, food industry, industry related to primary processing of flax, cotton, wool, leather and others. This area of AIC produces almost 48% of the final product, it involved more than 68% of production assets and 60% of the number of employees. Also AIC up industries which produce means of production for agriculture and agricultural products processing industries (agricultural machinery, tractors, machinery, producing equipment for the food and light industry, reclamation equipment, fertilizers and others.). A “Rosagroleasing” economy edge gained more than 250 tractors and 130 harvesters, it was repaired and restored over a thousand tractors, 400 combine harvesters and 320 trucks - in the amount of 2.7 billion rubles.

The composition of the AIC also includes industries that are engaged in processing of agricultural products: Food industry, industry for the primary processing of raw materials for light industry. Processing of agricultural products in the region are engaged in 339 enterprises of food and processing industries of various types of ownership: 54 - for the production of canned fruits and vegetables, 106 - for the processing of meat, more than 70 - for the production of dairy products, sugar industry is represented by 16 sugar factories also produced fat and oil, alcohol and other products. The enterprises of agricultural engineering of Krasnodar region produces more than 100 items of various agricultural machinery and equipment for agriculture region and other regions of Russia.

Also in the agricultural sector includes industry, agriculture providing material resources. So, in the Krasnodar region operate more than 700 large, medium and small enterprises producing mineral fertilizers, chemicals, etc. The largest company is located in the city of Belorechensk. “EuroChem - Belorechensk fertilizers,” producing mineral fertilizers and sulfuric acid. This company in 2014 increased shipment volumes of production by 1.9 times and amounted to 3.5 billion rubles. The consolidated budget of the region transferred over 50 million rubles. The complex is developed, due to the presence of deposits of geothermal water and hydropower resources in the province.

Administration of Krasnodar Region is actively seeking and attracting investment in the AIC. However, in the AIC of the Krasnodar Territory has some problematic issues that hinder the proper development of certain sectors of agribusiness. The reasons, in fact, very much, for each industry, they are individual. The mere enumeration of the problems, of course, does not help to destroy them, the problems were, are and will be in the future, just remove them all is impossible, but you can try to solve the most important of them:

• Lack of funding from the state
• Environmental problems of the edge
• Incompetence and negligence of managers of enterprises of the agrarian sector.
To support agricultural production in the AIC of Krasnodar Region Department of Agriculture and Food production Krasnodar Territory are the measures of state support to agricultural producers in the framework of regional and departmental programs. To solve the main problems associated with the development of the AIC, you need the following:

- A more effective participation of the state in the development of agriculture, primarily through direct investments.
- Redefining the content of laws and the development of economic processes related to intensification, specialization, concentration of agricultural production and agro-industrial integration in the conditions of market relations.
- To train qualified professionals to enhance the competitiveness of products and improve the functioning of the system as a whole.

Although AIC edge and has the ability to fully 100% to meet demand population of the region, it is necessary to develop all sectors of the economy, as 50% of goods - imported. To do this, you must attract people, so that they have the opportunity to develop in the territory of our region, to do everything possible for the development of small businesses, and to support it in every possible way to help its development.

The development of AIC has good prospects and opportunities of sustainable development. Stability in the reproduction AIC is that its qualitative state - is a dynamically developing socio-economic and technological systems, biotechnology. By providing optimal growth and development of the entire complex, the stability of reproduction AIC tops. The lower limit reproduction of sustainability in agribusiness - is the threshold at which occurs the gap between resources and needs, when there is a degradation of the productive forces of the complex (Buyanova and Korposh, 2006).

In order to aid agricultural production developed measures of state support to agricultural organizations in the AIC of Krasnodar region in the implementation of regional and targeted programs that improve the living conditions of citizens living in rural areas. These procedures are implemented the following programs: “Development of agriculture” - the state; “Development of agriculture and regulation of markets for agricultural products, raw materials and food in the Krasnodar region for 2013-2020” - boundary. Today, effectively operates complex for processing agricultural production sector, through the development of small farms in the agribusiness region, promote the development of agriculture infrastructure, the provision of subsidies to agribusiness entities (Garant, 2008; Frolova, 2014).

Program funding provides for the implementation at the expense of the state. Therefore, this year the regional budget provided spend on improving AIC spend 2.01 billion rubles (Kobelieva, 2014). These procedures are designed to expand the state and prosperity of agribusiness and include the following areas:

1. Crop development - is expected to expand the acquisition of prestigious seed crops; expansion of horticulture, risk insurance in case of crop losses; reimbursement of expenses by the amount of interest received credits and loans.

2. Improvement of livestock, namely: Support for livestock breeding, the development of risk insurance in case of loss of the animals; support horse breeding; compensation subsidy of the cost of interest on loans.

3. Improvement of rural areas by improving the living conditions of citizens; as well as the development of social and engineering infrastructure.

4. Increase reclamation of agricultural land - provides coverage for costs associated with the construction, reconstruction and technical re-spent on reclamation systems.

5. Improve Small forms of ownership in AIC - help the family livestock farms, awarding grants and one-time assistance to beginning farmers; lending to small forms of ownership.

6. Improve the Fisheries Industry - subsidies and reimbursement of expenses for the production of fish products.

7. Improving the epizootic, veterinary and sanitary well-being and prosperity of the State Veterinary Service.

8. Improving viticulture, namely: Subsidies for work in the vineyards, drip, interest rates on loans for the purchase of machinery, production of barrels for storing wine.

Through the implementation of the state program to support the development of agribusiness in the following indices reached the regional level: Financial investments in the AIC of the Region as a whole amounted to about 83.5 billion rubles, of which more than 60 billion rubles invested in the development of agricultural enterprises. During this period, it acquired more than 25 thousand. Units of agricultural machinery, including tractors 9217, 2068 combine, 664 self-propelled foragers.

As part of the national AIC development project in the Krasnodar region built and reconstructed livestock farms and complexes for 68 thousand cattle-places. Acquired 21.47 thousand heads of breeding cattle dairy breeds (in 2012-2428 heads). And 9.26 million heads of breeding cattle for meat production (in 2012-287 goals). Thus, in 2012, the share of highly productive breeding stock of beef cattle has reached 29% of total beef herd. In the dairy herd, this share increased to 27.3%.

A special area of support and development of AIC of Kuban - investment programs. After they realized the mechanism of market-competitive self-reproduction at all levels of agricultural production. In recent years, the majority of contracts in the field of agriculture investment is part of the annual international forum: “Green Week” conducted in Berlin, an investment forum in Sochi, the largest in Russia and Eastern Europe agricultural exhibition “Golden Autumn” (Vakulenko et al., 2015).

### 3. CONCLUSIONS

The result of the implementation of agribusiness development strategy based on state support and investment arrangements, will not only increase the efficiency of regional agriculture, increase agricultural output and steady appreciation of the internal edge of the public demand for food, but also a steady increase in revenues and profits of the complex as a whole, it industries, enterprises and rural population. All this will provide food and social security of
the Krasnodar Territory, and taking into account the region’s role in food production, and the country as a whole (Polichkina and Basentsyan, 2014; Mindlin et al., 2016).

To conclude, at the state level creates the necessary conditions for the effective functioning of the country’s AIC, but remain unresolved several issues impeding agribusiness sustainable development. The study of regional agriculture, in particular APC Krasnodar region, showed that the industry is characterized by a positive trend of growth of agricultural production, which are based on the pricing policy improvement, credit mechanism, increasing budgetary allocations in the framework of the regional target program Development of small forms of managing in agrarian and industrial complex on the territory of for 2013-2017 Krasnodar Territory. Thus, despite all the difficulties in the implementation of the priority national project Development of agriculture, things are moving forward, and the villagers have already felt the care and attention of the state to solve their problems.

4. ACKNOWLEDGMENT

This paper was carried out within the state scientific task No 26.2671.2014/K “Theoretical and methodological basis for the development and implementation of a cluster-based policy at the regional level and scientific and methodological foundations of the tools of the structural benchmarks of the regional social and economical system.”

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