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PREREQUISITES FOR ENSURING THE FINANCIAL SECURITY OF AGRICULTURAL ENTERPRISES

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ПЕРЕДУМОВИ ЗАБЕЗПЕЧЕННЯ ФІНАНСОВОЇ БЕЗПЕКИ АГРАРНИХ ПІДПРИЄМСТВ

The article examines the issue of the development of enterprises in the agrarian sector in order to determine the impact of the main indicators of the enterprise's activity and their financial security. The effective development of agricultural enterprises directly depends on the material and production base and the level of training of highly qualified employees. The purpose of the article is to analyze the current state of development of agricultural enterprises in order to determine the prerequisites for increasing the level of their financial security.

The conducted studies show that the share of the agricultural sector of the economy of Ukraine in the total volume of the gross domestic product has a tendency to decrease. Thus, in 2016, the specified indicator was 11.7%, during the

analyzed period it decreased and in 2020 it amounted to 9.3%. It is worth noting the insignificant positive growth dynamics of the share of the agricultural sector in the total volume of GDP in 2020 compared to 2019. Regarding the share of the agricultural sector in the total amount of gross added value, it is worth noting the heterogeneity of the indicated indicator. The share of fixed assets for agricultural purposes in 2020 was 4.8% of the fixed assets available in the country, it is worth noting that in comparison with 2016 there is an increase of 1.5%. As for the specific weight of employed workers in the agricultural sector of the economy, a significant decrease in the number of employed workers is observed, so in 2016 their share was 10.0%, and in 2020 it decreased to 8.0%.

The agricultural sector is directly related to natural conditions (agricultural land occupies 68% of all land) and qualified specialists (2.7 million people are employed in the agricultural sector of the economy, which is more than 17% of the total working population). In addition, over the past 20 years, the share of export of agricultural products has increased 4 times and by the beginning of 2021 was 38%. Ensuring the effective use of resource potential and its constant renewal is quite important, especially considering the degree of wear and tear of fixed assets.

У статті досліджено питання розвитку підприємств аграрного сектору з метою визначення впливу основних показників діяльності підприємства та їх фінансову безпеку. Ефективний розвиток аграрних підприємств безпосередньо залежить від матеріально-виробничої бази та рівня підготовки висококваліфікованих працівників. Метою статті є аналіз поточного стану розвитку аграрних підприємств з метою визначення передумов підвищення рівня їх фінансової безпеки.

Проведені дослідження свідчать, що частка аграрного сектору економіки України в загальному обсязі валового внутрішнього продукту має тенденцію до зменшення. Так, у 2016 році зазначений показник становив 11,7%, протягом аналізованого періоду він зменшився і в 2020 році склав 9,3%. Варто відмітити, незначну позитивну динаміку зростання частки

аграрного сектору в загальному обсязі ВВП в 2020 році в порівнянні з 2019р. Щодо частки аграрного сектору в загальному обсязі валової доданої вартості, варто відмітити неоднорідність зазначеного показника. Частка основних засобів сільськогосподарського призначення у 2020 роци становила 4,8% від наявних в країні основних засобів, варто відмітити що в порівнянні з 2016 роком прослідковується зростання на 1,5%. Щодо питомої ваги найманих працівників аграрного сектора економіки прослідковуються суттєве зменшення кількості найманих працівників, так у 2016 році їх частка становила 10,0% а в 2020 році зменшилася до 8,0%.

Аграрний сектор безпосередньо пов'язаний з природними умовами (сільськогосподарські угіддя займають 68% всіх земельних угідь) кваліфікованими спеціалістами (в аграрному секторі економіки зайнято 2,7 млн осіб, що становить більше 17% всього працездатного населення). Крім того за останні 20 років частка експорту аграрної продукції зросла у 4 рази і на початок 2021 року становила 38%. Проведені дослідження свідчать, що зазначені фактори мають суттєвий вплив на рівень фінансової безпеки аграрних підприємств. І тому забезпечення ефективного використання ресурсного потенціалу та його постійне оновлення має досить важливе значення, особливо враховуючи ступінь зносу основних засобів.

***Keywords**: esource provision, financial security, agricultural sector, efficiency of activit, enterprises.*

***Ключові слова:** ресурсне забезпечення, фінансова безпека, аграрний сектор, ефективність діяльності, підприємства.*

Problem statement. The agrarian sector of the economy is important in the development of the national economy as a whole, it is primarily connected with ensuring the food security of the state. However, the agricultural sector has a significant impact on economic, environmental and energy security, and has a direct impact on the development of technologically related sectors of the economy.

Despite the rather difficult situation in the country, the agricultural sector has a production potential that significantly exceeds the needs of the domestic market. This is a link that can play a significant role in the development of the national economy and promote integration into the world economic space, and on the other hand, it ensures the development of rural areas and increases the income of the rural population.

Analysis of recent research and publications. The question of the development of agricultural enterprises as a prerequisite for ensuring their financial security was studied in the works of leading domestic scientists, such as T.E. Belyalova. [1], Hayvoronska Yu.E. [2], Demy D.I. [3], Prystemskyi O.S. [4], Ryabenko H.M. [5], Khomenko O.A. [6], and others. Considering the significant achievements of scientists, it should be noted that certain issues require more detailed consideration. It is appropriate to investigate the issue of ensuring the financial security of agricultural business entities in modern business conditions. In particular, attention should be paid to the impact of the economic development of agrarian enterprises on the level of their financial security

Purpose of the article. The purpose of the article is to analyze the current state of development of agricultural enterprises in order to determine the prerequisites for increasing the level of their financial security.

Research results. Analyzing the agrarian sector of the economy, it is worth noting a set of factors that significantly distinguish it from other industries, namely: the economic results of agricultural enterprises directly depend on biological processes, which is one of the risk factors in the conditions of economic activity; the results of agricultural enterprises largely depend on the natural and climatic conditions of the activity; the process of agricultural production involves the involvement of four types of resources, namely: fixed assets, circulating assets, labor and land. It is the involvement of land resources in the process of economic activity that distinguishes it from other spheres of activity; the investment attractiveness of the agricultural sector is lower compared to other industries, which is due to a number of factors,

The effective development of the agricultural sector of Ukraine is largely determined by an effective agrarian policy and directly depends on the state's participation in its formation and implementation. It is worth noting that the country has limited budgetary resources, which determines the need to stimulate the state mechanism for regulating economic processes, which involves the introduction of methods of legal and financial and economic influence. A special place is occupied by the methods of financial regulation, which include budgetary6 tax, price, investment and other methods.

The resource potential of agrarian enterprises, as a set of available resources of enterprises, is the basis of its financial security of the enterprise. The presence of competitive advantages due to the correspondence of the resource potential, i.e. material, financial, personnel, technical and technological potential and organizational structure of the enterprise to its strategic goals and objectives and directly affects the level of its financial security [7].

Analysis of the resource potential of agricultural enterprises of Ukraine shows that the number of employed workers in agricultural enterprises decreased by 13% from 614.3 thousand people in 2016 to 534.7 thousand people in 2020, this trend is due to the increase in the automation of production processes in agriculture . In general, somewhat different dynamics are observed in Ukraine, in general, the number of employed workers increased by more than 9% during the studied period. Taking into account the mentioned dynamics, the share of employed workers in agriculture slightly decreased.

The positive dynamics should be attributed to the increase in the cost of fixed assets used in agriculture, during the studied period, the specified indicator increased more than two times. In Ukraine as a whole, the cost of fixed assets increased by only 27.7%.

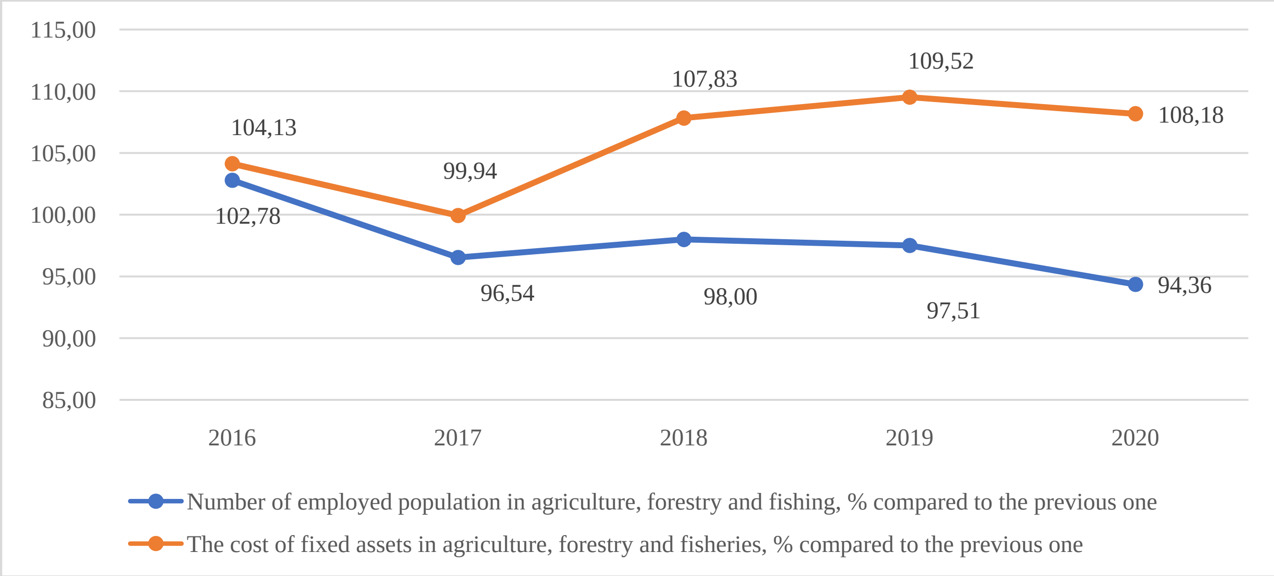

Fig. 1 Indices of resource provision in agriculture,%

Source: built by the author based on

Regarding the number of enterprises engaged in agricultural activities, their number increased by almost 10%, although their specific weight in the total number of enterprises decreased slightly from 14.7% in 2016 to 13.24 in 2020.

The efficiency of agricultural enterprises and the level of their financial security largely depends on the resources invested in fixed assets and labor resources in order to obtain high financial results.

In the agrarian sector of the economy, resource provision is deteriorating, as evidenced by resource provision indices. Thus, despite the increase in the value of fixed assets during the studied period, the heterogeneity of the index of the value of fixed assets is observed. It is worth noting that in 2017 there was a decrease in the indicated index, but in 2019 the indicated indicator had positive dynamics, but in 2020 it decreased to 108.2 from 109.5 in 2019 (Fig. 1).

Effective use of resources in agriculture is one of the important tasks facing enterprises in order to adapt business entities to dynamic conditions of economic activity. Assessment of the efficiency of the use of resources by agricultural enterprises is one of the factors that determines the possibility of their development and increase in economic and financial independence.

The conducted analysis of the efficiency of the use of resource potential shows that during the studied period, the capital equipment of labor increased almost 2.5 times, which is due to the increase in the cost of fixed assets in the industry with a simultaneous decrease in the number of employed workers. As for the capital return indicator, it is worth noting its significant decrease from 3.24 in 2016 to 2.19 in 2020, i.e. by more than 30%. This situation is connected with the fact that the rate of growth of the value of fixed assets exceeds the rate of growth of the value of gross products. It is also worth noting that during 2016-2020, the gross added value per 1 ha of agricultural land increased significantly, which is due to the rapid growth of the gross added value by more than 70% (Table 1)

Table 1. Efficiency of use of resource potential by agricultural enterprises

Indicators	2016	2017	2018	2019	2020	2020 in % to 2016
Capital equipment of labor, thousand hryvnias	238.3	310.5	399.7	510.9	580.6	243.6
Return on capital, hryvnias	3.24	2.85	2.65	2.20	2.19	67.6
The added value was obtained on the basis of 1 ha s.-y. land, thousand hryvnias	91.1	113.1	125.5	147.8	155.1	170.3

Source: calculated by the author based on

The issue of solving food security in the world is becoming increasingly important against the background of the aggravation of the economic and political crisis and causes the question of finding ways to effectively develop the agricultural sector of the economy and strengthen the financial and economic security of agricultural enterprises.

According to the conducted researches, positive dynamics regarding the volume of production of gross products until 2019 are observed in agricultural enterprises. However, in 2020, it decreased by 12% compared to the previous year, and its amount amounted to UAH 395,718 million. It is worth noting that this trend is mainly related to the decrease in the value of gross crop production in 2020 by more than 14%, with respect to the value of gross livestock production, the situation is relatively stable. However, taking into account that the share of livestock products is relatively insignificant compared to crop production, within

16-18% during the studied period, it was not able to stabilize the situation with a significant decrease in crop production.

Regarding the situation that has arisen in the field of crop production, it is worth noting that in 2020, there is a significant decrease in the production of almost all types compared to 2019. Thus, wheat production decreased in 2020 compared to the previous year by almost 13%, corn by 14.3%, soybeans by 24.8%, and sunflower by 12.2%. Considering this situation, it is natural to decrease the value of the gross production of crop production.

In order to ensure the efficient operation of agricultural enterprises, the level of their financial security should be increased and financial support should be improved.

Financial resources are of particular importance for an enterprise, especially in terms of its development. The presence of a sufficient amount of financial resources reflects the financial power or the ability of an individual subject to participate in the creation of material goods and obtaining high financial results of activity.

They are characterized by the set of means, sources, reserves or financial capabilities that the enterprise possesses and that can be used for the production and sale of products and ensuring its expanded reproduction. At the same time, deep trends in the functioning and development of the financial potential of the enterprise are closely related to the efficiency of its activity.

A detailed analysis of the activity of the agro-industrial complex in comparison with other industries shows that the heterogeneity of the obtained financial results has been observed during the last ten years. Thus, in general, in Ukraine, the deterioration of the financial results of enterprises was observed in 2014-2015, which is natural in connection with the situation that arose in Ukraine, as a result, industrial enterprises received unprofitable results, a similar situation is observed in enterprises of wholesale and retail trade. Instead, agricultural enterprises significantly increased their financial results in 2015, they were the highest during the studied period. Starting from 2017, the situation improved somewhat and the financial results of enterprises began to grow and in 2019 amounted to 613,044 million hryvnias. The crisis that arose in 2020 in connection with the COVID 19 pandemic significantly affected the performance of all enterprises without exception, in general, the obtained results were only slightly more than 20% of the results of the previous year. Industry and construction enterprises received loss-making results, all other industries significantly worsened their indicators compared to the previous year.

It is worth noting that in the agrarian sector of the economy, the financial results of activity mainly reflect the efficiency of production relations of the mentioned enterprises, the possibility of providing the enterprise with certain types of resources is also connected with the availability of a sufficient amount of financial resources. The effectiveness of the development of enterprises is largely determined by the dynamics and structure of their financial support.

A detailed analysis of the activities of agricultural enterprises shows that every year more than 10% of their total number receive unprofitable results, which negatively affects their development. It is worth remembering that the agricultural industry depends to a large extent on natural and climatic conditions, but the effective use of resources available to the enterprise also plays a significant role.

The analysis of financial results obtained by agricultural enterprises shows that during 2010-2020 the share of enterprises that received unprofitable results decreased significantly. Thus, in 2010, 30.5% of enterprises from the entire population received loss-making results in the amount of 5,014.3 million hryvnias, by 2020 their share decreased to 17.3%, although the amount of losses increased more than 5 times and amounted to 26,350 .8 million hryvnias. It is worth noting that in 2015-2018 agricultural enterprises significantly improved their performance and the share of unprofitable enterprises was only 11.5-13.8% of the total number.

Table 2. Dynamics of financial results before taxation obtained by different types of enterprises, million hryvnias

Years	Financial results	Including					
		Big ones		Average		Small	
		million hryvnias	%	million hryvnias	%	million hryvnias	%
2015	103137.6	24786.2	24.03	44189.9	42.85	34161.5	33.1
2016	91109.5	12084.9	13,26	43185.1	47.40	35839.5	39.3
2017	69344.1	8062.8	11.63	35738.3	51,54	25543	36.8
2018	71478.5	11191.1	15.66	38791.6	54.27	21495.8	30.1
2019	94041.4	5053.8	5.37	69019.1	73.39	19968.5	21.2
2020	82230.6	8794.1	10.69	40610.2	49.39	32826.3	39.9

Source: calculated by the author based on

The analysis of financial results shows that about 50% of the obtained results are provided by medium-sized enterprises. It is also worth noting that despite the small number of large enterprises, they ensure the formation of more than 10% of the obtained financial results before taxation. Although small enterprises occupy a fairly significant share in the quantitative equivalent, they ensure the formation of a relatively small part of the financial results of 30-39% during the studied period (Table 2).

The analysis of the financial results of agricultural enterprises is very important and significantly affects the adoption of effective management decisions, which directly affect the increase of the enterprise's competitiveness and ensuring its financial security.

Carrying out a qualitative analysis of financial results provides answers to questions related to solving problems related to increasing the efficiency of activities and ensuring the competitiveness of the enterprise on the market. Consideration of the possibilities of practical implementation of methodical approaches to assessing the financial results of an agricultural enterprise provides a basis for their correct selection and effective application[8, p. 147].

Timely and unbiased analysis of financial results contributes to increasing the efficiency of enterprises, the most appropriate and effective use of fixed assets, material, labor and financial resources, and the elimination of additional costs. And the obtained results of the analysis create objective conditions for increasing the effectiveness of management decisions, as well as obtaining reasoned accounting and analytical information for planning and forecasting financial results[9, p. 154-157].

In agriculture, financial results depend quite significantly on the amount of revenue received from the sale of products, but it should be remembered that the positive impact of this indicator occurs only if it increases in profitable types of products, otherwise the consequences can be quite negative and worsen financial results.

Table 3. Analysis of the dynamics of the profit of agricultural enterprises of various types, 2016-2020

Indicators	2016	2017	2018	2019	2020	2020 in % to 2016
Net income (revenue) from the sale of agricultural products and services, UAH million.	403646	454380	525097	556326	605483	150.00
including large ones	53034	38880	54758	74132	78052	147.17
average	206594	237987	272210	275954	289400	140.08
are small	144018	177513	198129	206240	238031	165.28
Cost price of realized agricultural products and services, million hryvnias	312537	385036	453618	462285	523252	167.42
including large ones	40949	30817	43567	69078	69258	169.13
average	163409	202249	233418	206935	248790	152.25
are small	136818	169460	191389	196758	228731	167.18
Profit, loss (-) from the sale of agricultural products and services, UAH million.	91109	69344	71479	94041	82231	90.26
including large ones	12085	8063	11191	5054	8794	72.77
average	43185	35738	38792	69019	40610	94.04
are small	7200	8053	6740	9482	9300	129.17
Profit, loss (-) from the sale of agricultural products and services per 1 enterprise, UAH million.	2.02	1.38	1.42	1.87	1.66	82.13
including large ones	604.25	447.94	486.57	148.65	244.28	40,43
average	17,27	15.00	16.88	30,26	19.03	110,21
are small	0.17	0.17	0.14	0.20	0.20	116.04

Source: calculated by the author based on

The conducted analysis of the profit from the sale of products shows that during the studied period the heterogeneity of the indicated indicator is observed. Thus, in 2020, the profit from the sale of products amounted to 82,231 million hryvnias, which is almost 10% less than in 2016, the decrease in this indicator is explained primarily by the unfavorable climatic conditions in 2020, namely droughts. It is worth noting that the profit is affected by two main indicators of revenue and cost of production. Since the rate of growth of the cost of production is ahead of the rate of revenue growth by 17.42% and the resulting decrease in profit.

Analyzing the size of the profit of enterprises of various types, it is observed its significant decrease in large enterprises from 12,085 million UAH in 2018 to 8,794 million UAH in 2020, that is, by 27.23%, and the profit in medium-sized enterprises also decreased by 5.96%. Regarding small enterprises, it is worth noting its gradual growth by almost 30% during the studied period (Table 3).

If you analyze the profit obtained for one enterprise, it is worth noting the significant differentiation of the specified indicator in terms of different types of enterprises. One large enterprise received 244.3 million hryvnias of profit, while one small enterprise received only 0.2 million hryvnias. Regarding the profitability of large enterprises, quite negative dynamics are observed, since the profit they receive is decreasing, and the number of enterprises is increasing, as a result, the profit per enterprise during the studied period decreased by almost 60%.

Conclusions. The agricultural sector in the economy of Ukraine occupies a leading place in the formation of the country's economy, occupying a significant share in the export potential and in the gross domestic product. Its effectiveness largely depends on a number of external and internal factors, including the economic and political situation, the investment climate, changes in climatic conditions, and others. The conducted analysis of the development of the agrarian sector of the economy shows that, despite certain positive developments, there are a number of problems that require priority solutions, as they have a direct impact on the financial security of the mentioned enterprises. First of all, the industry needs to modernize the resource and technical base with the introduction of innovative production technologies, which will make it possible to adapt the production process to rapid climatic changes. Introduction of ecological standards of production, which will help increase the competitiveness of products on the European market as it will meet international quality standards. Attracting foreign investments for the development of the industry, which requires legislative regulation to protect the interests of foreign investors and the transparency and safety of the banking system. The development of state programs to stimulate the development of small business, since its share in the total population is quite significant, but there is no possibility of competitive struggle with large enterprises. Increasing the efficiency of financial management at enterprises in order to implement an effective strategy for their development. which requires legislative regulation regarding the protection of the interests of foreign investors and the transparency and safety of the banking system. The development of state programs to stimulate the development of small business, since its share in the total population is quite significant, but there is no possibility of competitive struggle with large enterprises. Increasing the efficiency of financial management at enterprises in order to implement an effective strategy for their development. which requires legislative regulation regarding the protection of the interests of foreign investors and the transparency and safety of the banking system. The development of state programs to stimulate the development of small business, since its share in the total population is quite significant, but there is no possibility of competitive struggle with large enterprises. Increasing the efficiency of financial management at enterprises in order to implement an effective strategy for their development.

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