

UDC 338.33: 631.11

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Organizational-economic aspects of diversification of manufacturing activity of agricultural factories

Goal. Assess the current state of production of agricultural products in the enterprises of the corporate sector of agrarian economy and find out the factors that hinder the process of diversification of their production activities. **Methods.** System approach, economic-statistical, comparative, calculation-constructive, dialectic and abstract-logical methods. **Results** Currently, most agricultural enterprises are guided by maximizing profits in a short period of time. In view of this, they produce the most profitable type of produce, in particular crop production, while not adhering to scientifically sound norms of agriculture. Hence the problem of diversification of production activity. The main factor that should affect this process is the state support for the production of less profitable agricultural products. The development of vertical diversification as the main factor of ensuring economic stability of the agricultural enterprise is considered. **Conclusions** Development of diversification processes should be carried out within the framework of the strategic development program of the enterprise, which primarily involves the implementation of conglomerate diversification, in particular technological modernization in the direction of developing new market segments.

Key words: diversification, agricultural enterprises, agricultural products, production, monoproduction.

Market transformations of the domestic economy led to the emergence of destabilizing factors that affected the conditions of conducting production and sales activities and the possibility of expanded reproduction. The consequence of this effect was the reduction of economic sustainability of organizational structures. Under such conditions, the need for use by business entities of an approach that involves the development of a rational economic strategy and its implementation in the direction of continuous adaptation to environmental factors is reinforced.

Particularly difficult is solving the above-mentioned problems in the agrarian sector of the economy, which is a multi-layered, multidisciplinary and territorially divided system. It is obvious that in this area, the development and implementation of a strategy for the development of agrarian enterprises is compounded by the combination of natural and climatic and market variability. In view of this, it is necessary to formulate a system of measures for the diversification of production activities that could ensure the efficient functioning of enterprises and contribute to the achievement of the foreseen strategic guidelines for their development.

The purpose of the research is to assess the current state of diversification of the agricultural activities of agricultural enterprises and to propose ways to increase it.

Research methods. The paper uses modern general scientific and special methods of economic research, in particular: a systematic approach - for studying the connections between phenomena and processes in the system of ensuring diversified development; economic and statistical methods - to determine the dynamics, structure and performance of the development of production activities; comparative - to assess the effectiveness of the activity and compare the levels of diversification of agricultural production; calculation-constructive - to substantiate directions of diversification of production; dialectical and abstract-logical - for the implementation of theoretical generalizations, the formulation of conclusions.

Research results. In 2013, agricultural enterprises produced 56 thousand enterprises of various organizational and legal forms of management, which used about 22 million hectares of agricultural land. Of the total number of enterprises, 47.5 thousand have agricultural land. Of these, 67.7% of enterprises have an area of up to 100 hectares, 15.3% - from 101 to 500 hectares, 5.6% - from 501 to 1000 hectares, 5.3% - from 1001 to 2000 hectares, 6.1% - more than 2000 hectares. The average size of the enterprise, taking

into account and without farmers, almost did not change and, accordingly, amounted to 391 hectares and 1163 hectares of agricultural land.

Currently, the trend in the concentration of production in individual agricultural enterprises (egg and poultry farming) and in certain commodity groups of agricultural crops (for example, the cultivation of cereals and industrial crops) is increasing in the investigated field [8]. Production of high labor costs, such as the production of agricultural products (vegetables, fruits in crop production, meat cattle breeding, sheep breeding in livestock farming), where enterprises have become largely unprofitable, is slowed down at a high pace. As a result, the majority of agricultural enterprises concentrated on the production of a separate group of agricultural

products, which, in the current circumstances, increases the risk of economic activity. According to the results of the research, in 2005- 2013 there were changes both in the structure and in the number of agricultural enterprises in the presence of sub-sectors of production (Table 1).

Listed in tab. 1 calculations indicate the process of quantitative reduction of multi-sectoral agricultural enterprises and the deepening of the specialization of production activity. Currently, highly specialized enterprises produce predominantly crop production. It was found that during 2005-2013 the share of grain and legume crops in the structure of commodity products of agricultural enterprises did not change significantly. At the same time, there are significant changes in the structure of the group itself, the share of maize on the grain increased for the reduction of the share of barley, which is explained by lower yields and profitability of barley compared with corn, as well as demand reduction [3].

The results of the analysis show that during the period under review, the number of agricultural enterprises specializing in the production of crop production was unchanged. The main types of production were grain and leguminous plants, technical crops (sunflower, soybean, rape). The share of sunflower, soybean and rapeseed significantly increased due to the decrease in the share of sugar beet, grain and legume crops due to their economic attractiveness.

The reduction of the index of horizontal diversification of the production of products of the grain group in agricultural enterprises has been reduced, which indicates an intensification of specialization in the cultivation of certain grain crops (winter wheat, spring barley, corn for grain), which ensure profitability. Thus, in most areas, the calculated horizontal divergence indicator is within the range of 55-69%. At the same time, the concentration of agricultural enterprises on the production of a limited number of types of livestock products (pig production, milk, eggs) is being observed. Obviously, the focus on the production of the above types of products is the consequence of the diversification of farms specializing in the cultivation of grain crops [5]. This was facilitated by both the ratio of prices for grain and products of animal origin, and domestic demand was not demanded.

The results of the research are convinced of the presence in the production activity of agrarian enterprises of the development of vertical diversification on the basis of the organization of processing of agricultural products on own (more than 80% of the produced products of poultry meat, 12-15% of produced pig meat) or leased slaughter shops , the volume of which has almost doubled during 2009-2013 [7]. At the same time, the volumes of processing of crop production at their own capacities are minimal (up to 1%), except for the wine, where the share is about 80%.

One of the manifestations of diversification, unrelated to the main type of activity of enterprises of the corporate sector, is the provision of services for the management of rural businesses to legal entities and individuals [4]. It was found that during the analyzed period there was a decrease in the number of enterprises providing services due to high level of workload machinery and tractor park of agricultural enterprises; low competitiveness both in the price segment and in providing services in comparison with specialized enterprises and individuals; the availability of legal restrictions on the list of possible services provided by agricultural enterprises [6].

According to the results of the grouping, it was established that the highest level of profitability of agricultural production was provided by commodity producers who are specialized in production in 2 sub-sectors [9]. At the same time, during 2005-2013 significant fluctuations of the efficiency indicator in diversified agricultural enterprises were observed, indicating a non-optimal selection of production activities. Thus, farms producing 14 types of agricultural products are unprofitable; 6-7 kinds of products were able to compensate for losses from the production of livestock products at the expense of the profit from growing crop production, which provided a positive result from the conduct of production activities.

It has been established that livestock profitability is ensured in farms with a share in the structure of commodity products, not lower than 40%, which is evidence of the multidisciplinary nature of agricultural production. At the same time, the results of grouping agricultural enterprises, according to the level of profitability of providing services, convinced that 66.7% of enterprises of the corporate sector receive profit from the provision of services. In the structure of total revenue, the share varies between 3.4-6.5%, which indicates a low level of diversification not related to the main type of production activity (Table 2).

In implementing the diversification strategy, it is necessary to ensure an acceptable ratio between profitability and the level of risk (which is individual for each individual producer and depends on many factors) based on the development of a set of organizational and economic methods.

Currently, in most agrarian enterprises, direct diversification of production is determined spontaneously, without scientifically substantiated strategic and tactical planning [10].

The approach to conducting evaluation of projects of diversification of production, which consists of the following stages: the formulation and economic substantiation of goals and objectives of diversification; studying the parameters of the internal potential of the enterprise; development and analysis of variants of diversification; development of detailed plan for diversification of production; estimation of economic efficiency of diversification (figure).

Conclusions

Consequently, the rationale for the diversification of the production activity of the enterprise should include the study of regional specialties of the industry development, the level of use of the production potential of producers and economic risks. It is proved that the insufficient aggregate potential of the environment requires the orientation of agrarian enterprises for the introduction of concentric diversification tools, which involves searching for additional opportunities for the production of new types of products, the source of which is the formed business. For enterprises located in areas with high levels of aggregate potential, it is advisable to develop conglomerate diversification strategies that foresee technological modernization towards the development of new market segments.

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