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Problems of methodical provision of normative money evaluation of lands of agricultural purpose

Objective. To study the problems of methodical provision of normative monetary valuation of agricultural land. **Results** The methodical approaches to determination of indices of normative rent income, problems of development of modern methodology of land evaluation and its indexation are considered. **Methods.** Analysis, synthesis, generalization. **Conclusions** The ways of improving the methodological provisions concerning the evaluation of agricultural land, the application of materials for the development of soil, the principles of capitalization of rental income, indexation of estimation are proposed.

Key words: agricultural land, payment for land, monetary valuation of land, norms of rent income, indexation of monetary valuation of land.

Land use payment was introduced in 1992 with the purpose of generating a source of funds for financing measures for rational use and protection of land, improving soil fertility, carrying out land reform, conducting a cadastre, land management and land monitoring, development of infrastructure of settlements. The Law of Ukraine "On Land Fee" of July 3, 1992 sets the rates of land tax by category of land and the procedure for its calculation and payment; The size, terms and conditions for the payment of rent, the distribution and use of funds received from payment for land [2]. In March 1995, the Government approved the Methodology for the monetary valuation of agricultural land and settlements for the purpose of conducting a monetary valuation of land provided for by the said law [6], and in May 1997, - Method of monetary valuation of non-agricultural land (except settlements). This monetary assessment was later called normative, in contrast to the expert monetary valuation of land used for the implementation of civil law agreements. As you know, the normative monetary valuation is used to determine the size of the land tax; Rent for land; Losses of agricultural and forestry production, as well as the development of indicators and mechanisms for economic incentives for rational land use. Its role in regulatory policy can be illustrated by the fact that on the basis of this estimate, 13 billion USD of land payment per year comes to the budget, and rent to citizens - owners of land shares reaches 12.5 billion UAH per year [9]. Normative monetary valuation of agricultural land has been carried out only once in July 1995, while according to the law over the past 20 years, we had three (five to seven years) renewal of the assessment. The yields of grain crops and the level of production costs for the period 1980 - 1986 taken for the economic evaluation of the land, the results of which became the basis for establishing indicators of the normative monetary valuation in 1995, are not adequate to modern conditions. Data on the efficiency of agricultural production for 1986 - 1990 do not correspond to the current market conditions for agriculture and are also obsolete. It should be noted that the essence of normative monetary valuation of land consists in the fact that for the determination of rental income from land use not to use the real, but the average normal, that is, the normative (reference) value of the crop and the level of production costs for the lands of specific agro-industrial groups and natural- Agricultural areas of the country, which was not foreseen by the current methodology. That is why the Law of Ukraine "On land valuation" dated December 11, 2003 stipulates that the normative monetary estimation is a capitalized rental income from a land plot determined according to established and approved norms [3].

Indicators of annual rental income are set for the lands of industry, transport, communications, energy, defense in each of the regions. For land conservation, health, recreational, historical and kul- tour destination is set normative average effect of the use of these lands, as well as factors that take into account their value within each of the areas, coastal seas, mountains and foothills of the areas. Normative average annual economic effect of growing wood forest lands set for administrative regions Polesie and forest-steppe and planned average annual production costs taking into account the economic value of the soil - for steppe regions

[1]. Only for the category of agricultural land the indicators of normative rent income in terms of administrative and territorial units and natural and agricultural areas are not yet established and approved. In 2008, the Institute of Agrarian Economics of NAAS has developed new methodological approaches to the definition of normative monetary valuation of land, and the NSC "Institute of Soil Science and Agrochemistry named after O.N. Sokolovsky" - Method of establishing a monetary valuation of soils of arable land. In 2012, the National University of Natural Resources and Natural Resources of Ukraine developed a draft methodology for normative monetary valuation of agricultural land and proposed indicators of rental income in terms of oblasts and natural and agricultural areas. However, by this time the Government has not approved a new Methodology for monetary valuation of agricultural land by the Government. Presidium of the National Academy of Agrarian Sciences of Ukraine in view of the provisions of the Coalition Agreement factions of the Verkhovna Rada, approved in December 2014, on the need for the completion of the development of this technique created 3 September 2015 an expert group of prominent scientists who study the issue of monetary valuation of land. An expert group performed an analysis of these techniques and prepared relevant proposals. They were discussed at a round table meeting on November 11, 2015 with the participation of heads of executive bodies, local self-government and public organizations, scientists of academic research institutions and higher educational institutions, and employees of the land management service of the country [5]. Participants of the round table showed that we still do not have a completed methodological document that would correspond to the scientific principles of monetary valuation of land, the requirements of the legislation, was clear, proven and easy to apply. If we start with the Law on land valuation, then these requirements best reflection of the achievements of the Authors of National Agricultural University of Ukraine, which was proposed indicators capitalized rental income for each natural and agricultural areas of the country for each type of agricultural land and for not - Agricultural lands in general, the value of rent income of arable land in the Autonomous Republic of Crimea, oblasts, cities of Kyiv and Sevastopol. However, in this method a significant portion of methodological approaches are controversial (calculating the ratio of rental income on the basis of excess profitability of agriculture over the general level of the economy, adjusting regulations on the level of productivity on average by area, changing parameters rental income in 2014 without adequate justification, Introduction of coefficients of infrastructure development, etc.), it is doubtful that the calculated indicators can be considered normative. Violated the established position regarding the impact of the natural fertility of the level of monetary value, resulting in under this procedure Polissya land (the poor sod-podzolic soils) received the highest rating than land with forest and steppe black soil. 1 ha of arable land of Zhytomyr region with the lowest average in Ukraine indicator of soil boning - 27 points has a monetary value of 29.6 thousand UAH, and arable land in the Kharkiv region - respectively 52 points and 22.3 thousand UAH.

According to the decision of the Cabinet of Ministers of Ukraine dated 31.10.2011, No. 1185, from January 1, 2012 a coefficient of 1.756 was introduced for the monetary valuation of arable land. Moreover, the ratio that existed for 15 years between the levels of normative monetary valuation of arable land, perennial plantations, grasslands and pastures was unjustifiably changed, as the increase in monetary valuation was carried out only for arable land. As per 1 hectare, the value of perennial plantations decreased by 33.7 thousand UAH, haymowers - by 4.5, pastures - by 2.7 thousand UAH, compared with arable land. The correlation between the levels of assessment compared with arable land (100%) decreased in percentage terms: from 373 to 212 perennial plantations, from 49 to 28 grasslands, and from 30 to 17 grasslands. Such a distortion of the effects of a previously performed assessment reduces the role of soil cultivation, from Taking into account the indicators of estimation of all agricultural lands and the ratio of estimation by types of lands, natural-agricultural areas were determined. A reference to the fact that the effectiveness of using perennial plantations and forage grounds is rather low, that the livestock and gardening industries using forages and gardens did not restore economic indicators, and therefore their estimation should remain at the same level as before, Does not stand up to criticism. It is a pity that this new, distorted ratio of assessments will be taken as a basis for the new methodology in the future. The aforesaid causes the reduction of revenues to the budget from payment for land in 2015 (taking into account the current rates of land tax and rent payments) by UAH 0.6 billion. The serious disadvantage of the aforementioned methodology, which was first published on the website of the State Land Agency of Ukraine in December 2012 and reopened in 2013 and 2014, and the State Geocadastre in June 2015, is that it essentially repeats previous developments, Did not take into account the comments and suggestions of the scientific institutions of the National Academy of Agrarian Sciences and

other organizations and, most importantly, was not tested in the regions of the country. Despite these disadvantages, the draft of this methodology was again made public on November 19, 2015 for discussion on the GGGS website with minor changes that did not improve the methodology, as well as previous versions (2012 and subsequent years) [7]. Scientists of the National Academy of Sciences "Institute, Agrarian Economics" together with the NSC "Institute of Agrochemistry and Soil Science named after O.N. A new methodological approach has been worked out to determine the indicators of normative monetary valuation of land, based on the normative (natural) yield of grain crops (without corn) and standard production costs for their cultivation (according to technological maps). For the standard yield of grain crops, the yield obtained on agro-industrial groups of soils due to its natural fertility without fertilizers is taken. For this purpose, long-term data from field experiments carried out by the Agrochemical Service and the Geographic Network of field experiments, located on the main types of soils, are used. Since 1991, experiments have been carried out by research stations and scientific institutes of the National Academy of Sciences (in particular, the laboratory of the NSC "Institute of Soil Science and Agrochemistry named after ON Sokolovsky"). Normative production costs for growing crops are determined by modern technology. They are formed on the basis of constant costs, which do not depend on the level of productivity of land, as well as variable costs, the size of which depends on the yield of grain and straw. They are accompanied by generic and general expenses. At present, such a methodological approach using normative values of yield (by natural fertility) and production costs (for technological cards) is considered the most appropriate. However, the completed methodology for this methodological approach is not proposed. Indicators of rental income standards, which are to be approved by the Government, are not calculated, as well as in the previous Methodology, the approaches have not been tested in the expert environment and in the regions of the country. In NSC "Institute of Soil Science and Agrochemistry named after O.N. Sokolovsky proposed a methodical approach to the monetary valuation of agricultural land, with the help of which soil can be estimated as the most important resource for the production of products and at the same time assess its environmental significance. According to the scientists of the Institute, the assessment may be fundamental or basic. The base score should be higher than the market value, that is, which is defined by "demand - supply". It should not depend on socio-economic conditions of the country's development, but should serve long-term goals of planning, forecasting, rational use and protection of land resources.

The calculation of the monetary valuation of land is carried out through the consideration of three components: a) the cost of humus; B) the cost of available nutrients contained in the soil; C) the cost of natural biological potential of productive lands (bioproductivity). The objects of research are 40 main types of soils of Ukraine, allocated on a ground map of scale 1: 1500000. Calculations carried out with the assistance of samples from the database "Soil Properties Ukraine", created in the laboratory heoekofizyky Soil Institute, which has more than 2,500 underground mines. The cost of 1 ha of arable land on average in administrative areas under specified methodological approach ranges (in US dollars) from the 5750th Kherson region to 9472nd Kiev and Ukraine's average reaches 5980. Although mentioned methodical approach and not Stand ' Is subject to the legislative requirement to establish a normative monetary valuation of land due to the capitalization of standard rental income from the land, the proposed indicators of arable land value can be applied for calculating the losses of agricultural and forest The production of agricultural land, connected with the removal of the corresponding lands for non-agricultural needs. This is especially true losses caused by restriction of the rights of land owners, land degradation due to violation of soil for construction work, removal of topsoil and others. Consequently, existing methodological approaches and methods need to be updated, methodological coordination of certain provisions, rental income testing standards in the regions, discuss common methodologies should be elaborated in the relevant scientific institutions, ministries and departments, the Agrarian Union and the Association of farmers and private landowners. The main problem of modifying teaching approaches and methods of forming uniform is to establish scientifically based standards of rental income in various agro-industrial groups of soils and natural and agricultural areas of target capitalization of rental income. According to the monetary valuation of 1995, the average annual yield of cereals without corn is 31.5 centners per hectare and the average annual production costs of grain cultivation is 303 rubles. From 1 hectare, the total rental income was 9 ts grain per hectare. In modern conditions, even with a yield of 37.4 c / ha in 2014, it has not much increased. The increase in the price of sales of grain crops without corn for 1996 - 2014 from 16.0 UAH / UAH to 185.9 UAH / per cent, or 11.6 times, undoubtedly, significantly affected

the level of rent income in monetary terms. However, during this period (1996 - 2014), the costs of growing cereals (without corn) increased from 189.8 to 4105.2 UAH / ha, or 21.6 times. Unjustified increase in prices for industrial products and a decrease in prices for agricultural products distort data on the efficiency of crop production and can not fully characterize the amount of rent income in general, and the normative more so. It is questionable to use the discount rate of the National Bank of Ukraine for capitalization of standard rental income, since it varies depending on the economic situation of the country. During the development of the methodology proposed by NUBIP of Ukraine in 2012, the NBU discount rate was 7.75%. On its basis, the monetary valuation of 1 hectare of arable land was set at 21.8 thousand UAH. Currently, the mentioned rate is 27%. Consequently, the normative monetary value of arable land should be 6,3 thousand UAH / ha, that is, to decrease by 3,5 times. However, according to the State Geocodist method published on November 19, 2015, the indicated rating, on the contrary, has increased, which can not be explained. For the establishment of regulatory parameters rental income fully with applicable data quality of soil that held in Ukraine simultaneously throughout the procedure and a uniform currently used for land evaluation, determination of loss of agricultural production.

At the same time, the ratio between the estimates of lands of various natural and agricultural areas, agro-industrial groups of soils, as well as between types of agricultural land (arable land, periferous, perennial stands, hayfields, pastures) can not be unjustifiably changed as they are calculated in accordance with proven agronomy indicators of soils. Changes, if they need to be made, should be based on reliable information, and not on the assumptions of individual authors regarding changes in the quality of the land, as well as on their actual use. For example, if some specific plots of land that have not been used for crops for environmental or other requirements for several years have been converted into a part of the revision, this in no way means that their normative assessment should decrease. In view of this, the correlation between the estimates of arable land and other agricultural land distorted from January 1, 2012, due to an increase in the level of monetary valuation of arable land by 1,756 times should be restored. Particular attention deserves the problem of indexation of normative monetary valuation of land. The Law "On Land Fee" of July 3, 1992, established the necessity of conducting a monetary valuation of land, but did not provide for its indexation. The Law of December 22, 1999 No. 1344 - XIV introduced amendments to Art. 23 of the Law "On Land Fee", according to which "the monetary value of the land plot annually as of January 1 is specified on the indexation index, the procedure for which is approved by the Cabinet of Ministers of Ukraine." By the decision of the Cabinet of Ministers dated May 12, 2000 No. 783, as of January 1, 2000, the indexation coefficients at the level of 2.07 were established for the estimation of agricultural land; 2,04 - for lands of settlements, parts of other lands of non-agricultural purpose; 1.20 - for land under water, nature protection, recreation, recreational purposes, forest lands outside settlements. It is determined that in the future the valuation shall be indexed as of January 1 of the current year by the coefficient of the annual average inflation index of the year, the results of which are indexed. The indexation coefficients (2,07, 2,04; 1,20) set by the aforementioned resolution cover the period from 1996 to 1999 and are based on the indexes of inflation for the relevant years. Although according to the general rule, "the law has no retroactive effect," according to the Law of Ukraine of December 22, 1999, an increase in the monetary valuation of land for the previous period was made [11]. It should be emphasized that in the case where the value of the inflation index does not exceed one, the indexation of land valuation in accordance with the said Government resolution is not carried out. In connection with the expiration of this Resolution of the Government from 31.01.2011, the issue of indexation of normative monetary valuation of land is regulated by the Tax Code of Ukraine (Article 289). It is determined that the value of the indexation coefficient of the normative monetary valuation is calculated according to the consumer price index for the previous year [10]. For the period from 1996 to 2014, the cumulative value of the indexation index of land valuation is 3,997. Moreover, in 2003, 2004, 2006, the assessment was not indexed at all, although the indexes of inflation for these years amounted respectively to 108.2; 112.3; 111.6%. In 2010, 2011, 2013, when inflation indices also exceeded the unit (109.1, 104.6, 100.5, respectively), the level of the index was indexed with a coefficient of 1.0. Consequently, it is extremely difficult to establish the logic behind such actions of state bodies for indexation and land valuation. In 2014, the inflation index was 124.9%, due to this normative monetary valuation of land was increased 1.25 times [4]. In addition, according to the decision of the Cabinet of Ministers of Ukraine, as of January 1, 2012, as noted, the monetary valuation of arable land was increased by 1,756 times in connection with the growth of grain prices. Thus, as of January 1, 2015, the

level of normative monetary valuation of arable land in the country has increased by 702%, while other lands, including non-agricultural ones, have increased by 400%. In the 10 months of 2015, the consumer price index for goods and services (inflation index) is 139.5%. If in a year it will remain at the same level, then as of January 1, 2016, the normative monetary valuation of land will have to be increased by almost 1.4 times. The average estimate of 1 hectare of arable land will then be 36 thousand UAH; That is, will increase over 2 years by 15 thousand UAH per hectare, or 1.7 times. The indicated rates of growth of the normative monetary value of agricultural land are difficult to justify and even more difficult to explain. There is no doubt that the monetary value of agricultural land will increase depending on the dynamics of selling prices for agricultural products, the efficiency of farming, the state of rural development, the growth of the level of investment attractiveness of land use, and so on. However, such an increase in rental income as the basis of monetary valuation of land is impossible in such a short period.

As already mentioned, the score is indexed by the index of consumer prices for goods and services (inflation index). This is an indicator that characterizes changes in the overall level of prices for goods and services that are intended for the population for non-productive consumption. These include: food products; Clothing and footwear; Housing and utilities; Household appliances and household items; Health care; Transport and communications; Rest, education, restaurants, hotels, etc. And what is the relation of the inflation index to the level of land valuation? Some authors explain that in this way, part of the population's expenses for the purchase of goods and services is compensated, given the rising prices for them, because of the increase in the level of rent for their land. However, the indexation of estimates also increases the value of land tax on land leased. As the moratorium on the purchase and sale of agricultural land continues, these lands are not in a state of turnover, ie they are not involved in the implementation of civil law agreements. Purchase and sale by citizens of land plots for gardening, construction and maintenance of residential houses and utility buildings (private plot), which take place on the basis of market relations, are subject to appropriate taxes. In general, instead of indexing wages, pensions and other payments to the population by the state, in view of the growth of inflation in the country, the state increases the burden of payment for land annually. Introduced principle: that the higher level of inflation in the country, then the highest estimate of the land - devoid of any logic and needs immediate review. Social dissatisfaction and resistance of the population, small and medium-sized businesses in Kyiv, Lviv, Mykolayiv and other cities, as well as among farmers and tenants of agricultural land, associated with the annual increase in land valuation, require the adoption of appropriate measures and changes in the legal field. Land valuation, as specified in the law, should be reviewed and renewed after 5-7 years, remaining unchanged during the 5- or 7-year period. The rates of the same tax, rents for a proper justification may vary. If each year, together with the growth of inflation, land will also grow, then there will be no need to develop a Methodology for normative monetary valuation of land. Consequently, the process of land taxation in modern conditions requires adequate scientific support and improvement.

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