

«Green markets» as a component of infrastructure of food market

Objective. Assess the current state of functioning of retail, wholesale and retail food and wholesale markets for agricultural products as part of the market infrastructure of the food market and propose ways to improve their activities. **Methods.** Dialectical and abstract-logical; Induction and deduction; System analysis and synthesis; Monographic; Comparative analysis; Statistical and economic. **Results** The concept of creating wholesale "green markets" is considered, which will allow to increase the share of the agricultural commodity producer at the final price of the product and optimize transaction costs by eliminating from the market process ineffective intermediaries. **Conclusions** On the basis of generalization of domestic and foreign experience of functioning of food markets, measures aimed at improving their activity as a component of the market infrastructure of the food market are proposed.

Key words: infrastructure, market, agricultural products, sales, green markets.

A characteristic feature of the current state of the agro-food market is the slow formation of a market-oriented scheme for the promotion of products to the consumer, which can provide a reduction in the cost of commodity turnover, preservation and improvement of its quality, and contribute to the formation of market prices. Functioning of distribution infrastructure objects is aimed at meeting the final needs of consumers of agrarian products, in other words, to achieve the final result in the form of a high level of customer service, but with minimal use of costs and resources. The current infrastructure of the agro-producer market is not oriented to the prompt promotion of agricultural products to consumers. At the same time, producers who are forced to use unorganized sales channels with opaque terms of sale and dictatorship of the intermediary, and consumers who are forced to buy products of often doubtful quality at higher prices, will suffer losses. This situation leads to the lack of civilized transparent channels for the promotion of agricultural products from the manufacturer to the end user for the conditions favorable to all participants in the process, and in particular - the stable connections in the chain "manufacturer - wholesaler - retail seller - consumer". As a result of this, there are significant price fluctuations in the agro-food market, inefficient use of resources, narrowing of the possibilities for providing high-quality agricultural products in a wide assortment at affordable prices, additional costs for producers, processors and consumers, which ultimately leads to losses of state and local budgets. The purpose of the research is to assess the current state of functioning of the wholesale markets for agricultural products and to suggest ways to improve their functioning. **Research methodology.** The theoretical and methodological basis of research was the legislative and other normative-legal acts, scientific works of domestic and foreign scientists on the functioning of the market infrastructure of the market of livestock products. For solving the tasks used general scientific and special methods: dialectical and abstract-logical; Induction and deduction; System analysis and synthesis; Monographic; Comparative analysis; Statistical and economic. **Research results.** In the absence of financial resources, it is necessary to create an effective system that would ensure the attraction and effective use of investment resources for the structural adjustment of the Ukrainian economy, which requires the latest mechanisms for stimulating economic activity, in particular public-private partnership. The experience of the operation of the distribution infrastructure of agri-food in France, Spain, Japan and other countries shows that at least 51% of the shares must belong to the state or the city [6]. Their contribution to the authorized capital may be represented by the right to use land, buildings, structures, market infrastructure, means of communication and other objects. In the case of the creation of a network of "green markets" as an element of market infrastructure in Ukraine, it is advisable to use management mechanisms to stimulate the investment activity of business entities, their orientation towards the implementation of structural and structural-innovation shifts is the correct decision of the state. The public sector in the creation of "green markets" can contribute to, say, the policy of prohibiting trade in consumer markets until 8 am, thus leading to the transition to a new wholesale market, as well as taking on

the costs of arranging infrastructure outside the land Places for connecting to city networks. In turn, the state will receive a positive impetus in supporting small and medium-sized farmers, improving the safety of food products, lower consumer prices, creating jobs, lower urban load, increasing income tax revenues, etc.

The private sector contributes in the form of investment capital. It should be noted that the number of private organizations involved should be minimal, in order to minimize controversy and maximize the effectiveness of the initiative group. A credit institution, such as the European Bank for Reconstruction and Development (EBRD), can make its contribution in the form of a loan at an affordable cost. At the same time, international financial organizations such as the United States Agency for International Development (USAID) can provide technical assistance for further development of the project: development of project documentation, preparation of tender documents, package of documents for obtaining loans, training of market personnel [4]. In order to realize the mentioned goals, it is necessary to appropriately choose the organizational and legal form of the subject. It may be a joint-stock company (AT) or a limited liability company (LLC). The final decision on the organizational and legal form of the partnership is taken by investors. As part of the wholesale "green markets", it is advisable to distinguish the regional agromarketing center, which will become the most important part of the network structure of these markets. Under this approach, the "green market" will be formed in the form of a multifunctional logistics complex that will combine warehouse, production, retail and office formats and will focus on providing consumers with food at affordable prices and thereby reducing, ultimately, the level of consumer inflation. The activities of "green markets" should be expanded in the territory of one or more administrative-territorial units. The strategy of the development of wholesale green markets in Ukraine should provide for their number in 5 - 6 units. The following regional centers may be the optimal option for their geographical location (taking into account existing wholesale markets and those whose construction is ongoing): Lviv, Kiev, Donetsk , Odessa, Zaporozhye, Kharkov. Their main task is to create the necessary conditions for the sale and purchase of agricultural products within the territory of the activity. Taking into account the peculiarities of each region, three models of their functioning are proposed. The guiding principle is that objects will be located on the allocated territory, which will carry out the wholesale turnover of foodstuffs, as well as various facilities that will provide services and enhance the function of the wholesale market. It is also based on the assumption that the budget support provided (at the expense of the central and local budgets) will be limited to 20-30% of the cost of the 1st stage of construction. Model I suggests that the object will be created at a short distance from the regional center (the optimal option - along with the main entrance to the city or near the city ring road), for which the land will be allocated for the development of not less than 40 - 50 hectares . The larger the area, the higher the potential and financial capacity for the development of the newly created entity, which will simultaneously become a larger loan guarantee for loans.

Immediately under the wholesale market it is expedient to allocate 30 - 35 hectares. It is advisable to offer some of the areas that remain in the coming years to commercial investors with Ukrainian, foreign or mixed capital [5]. The territory for the wholesale market should be mastered in 2 or 3 stages and be divided into sectoral sectors. The structure of the division and the scale of development will be based on the following factors: the financing possibilities of the 1st stage of construction (own cash capital, credit preconditions, government, local subsidies, etc.); Availability of underground infrastructure and connections to it (drainage drainage, power grid, sanitary, water collector, etc.); Study of the market (which industry has the greatest potential, which subjects are interested in placing their firms in the market); Organization of advertising of a trading venue, including terms of lease, purchase, shares in the company as a participant or shareholder, etc.; Reliability of declarations of potential users of the market regarding the transfer of their activities to a new place; Support for local authorities and the consistency of their actions to eliminate major wholesale markets in retail food markets and elsewhere that do not comply with sanitary and veterinary conditions [3]. After conducting an in-depth analysis of these preconditions, the wholesale market area should be divided into several sectors: 1. An administrative part covering the building with offices and firms for the provision of services; External and internal platforms for parking of clients and market operators; A separate parking lot for wholesalers working in the market - so that company employees do not occupy parking spaces reserved for buyers; Entrance gates. It is important to design a building in such a way as to be able to build it in the future. 2. An area of approximately 4 to 5 hectares under the flower market, on which will be built an indoor pavilion with the possibility of its development, as well as adjoining areas under the parking areas for customers and under the seasonal sale of flowers and shrubs and other ornamental plants. The principle should be taken

as the basis for this territory to have appropriate areas that will ensure the development of wholesale in the flower industry for the next 10 to 15 years. 3. Wholesale market of fruits and vegetables in the area of approximately 4 - 7 hectares, which will be a covered pavilion for small and medium-sized firms. The best option is to build one large pavilion with the possibility of further development. It is important that trade in such goods takes place under one roof. If there is no such opportunity, it is worth taking the territory for the construction of the second pavilion, which, for example, will be for large wholesalers. Around the pavilions need to design parking areas for buyers, suppliers and spare parts for sale from cars at the peak of the seasonal implementation of local products (in case there is not enough space on the farm market). 4. Parking areas for sale from cars with the main purpose for Ukrainian products. For this kind of activity it is necessary to take about 5 hectares. The best option would be also the construction of awnings for sale from cars in such a way that in the future it would be possible to transform these objects into wholesale pavilions or warehouses of different purposes. 5. Meat, fish and dairy markets should also be focused on a separate area with possibilities for its development. In this sector it is necessary to take about 2 - 4 hectares. 6. A garbage separation site should be provided, as well as for placement of technical market services, boiler houses and workshops for servicing technical equipment (approximately 0.5 ha).

The above concept of mastering the territory of the wholesale market with the sector of a dedicated farm market should in any case be analyzed in terms of the specifics of the region and the agro-industrial structure. When working out the concept of the development of the territory, it is necessary to take into account the availability of access roads to the market, entrance to it, fire roads and to exclude conflict situations during the subsequent stages of construction (a separate entrance to the construction site). An integral part of the first concept is the availability of spare space for the commercial construction of service facilities for the wholesale market [10]. This concerns the construction of premises for storing goods, sorting them, warehouses for logistics and distribution of specialized firms, in particular, retail chains with Ukrainian, foreign or mixed capital. We believe that the first such logistical-distribution center, created with the name "Green Market", will become a calling card of the region and an important component of promotion of its products in other regions of Ukraine and even in other countries of Eastern Europe, in particular, Russia, Belarus, Kazakhstan, etc. . Model II is identical to the wholesale market model with the element of the farm market. An additional component is the creation of a technological park for the processing of agricultural products directly near the center or on its territory. This mainly concerns the regions of Ukraine, where there is overproduction of agricultural products, large production capacities and the desire to invest in the processing of agricultural products. According to this concept, it is proposed to allocate land plots of the appropriate area for the construction of objects of various types of processing. On the proposed land plots, there should be firms that will process local products that will be offered for sale on the market. It should be firms engaged in the freezing of vegetables and fruits, the production of various frozen goods (ice cream, pizza, dumplings, dumplings, vegetable blends, etc.), the manufacture of dried vegetables and fruits, canned food, juices, as well as equipment for production and processing, etc. Etc. [8]. The idea is to create a favorable environment for small and medium-sized businesses for the processing of agricultural products. This system, as in the first version, will become an element that will support the wholesale market and regional agro-industrial complex. It is important that the offer is attractive to potential investors and it should create a favorable investment environment in the broadest sense of the term.

Model III is expedient to develop in regions with intensive agrarian production - mainly vegetables and fruits. This applies to regions where there is overproduction of such products, there is currently considerable potential and potential for its development in the future. In this model we offer to create a logistics center on the area of 10 - 15 hectares, which will ensure the sale of products to other regions of Ukraine, as well as in supermarkets and discount stores, for processing and export companies. This model assumes that approximately 40% of the area will be created for a typical wholesale market where local producers will offer their products for the local market, as well as for companies that deal with distribution in the regions of Ukraine, for export and for processing. In these areas, it is also necessary to withdraw the territory for office space construction, which will include the administration of the market, control services (sanitary-epidemiological, veterinary, standardization service, representation of the customs service, etc.). In order to fulfill this requirement, it is necessary to allocate, on preferential terms, a part of the areas for lease or sale to investors who purchase agricultural products, sorting and packaging, as well as for logistics centers and distribution

networks of supermarkets and firms working in the field of processing vegetables and fruits. There may also be firms that deal with the freezing of these products. The proximity of the manufacturer is a condition that facilitates the placement of such production. It is also a catalyst for strengthening or creating cooperative activity. The proposed concept will contribute to the fact that the Ukrainian market will use its significant international potential not only in the field of production of wheat, corn and sunflower, but also in the field of growing vegetables and fruits, which is a much more profitable business. Accordingly, production will be expanded and new jobs will be created. This option can be used in many regions of Ukraine that are on the verge of survival, to support the development of agricultural co-operation, or to create new industrial production groups [9]. It should also be noted that this is the cheapest model for practical implementation. Such centers can also be a partner for wholesale markets in large urban associations with predominantly local production.

The economic efficiency of distribution infrastructure actors should be considered in the following aspects: economic and social efficiency [1]. We consider that under the economic efficiency of the infrastructure activity it is expedient to consider the position of the entity in the market environment, as well as financial performance (turnover, turnover time, efficiency of fund raising, etc.). As for the social efficiency of the distribution infrastructure of the agro-food market, it is the ultimate social result of the activities of the infrastructure actors and is manifested in satisfying consumer demand, quality of service, etc. [1]. It should be borne in mind that the buyer's interests in terms of quality of service can be reduced to the orientation of consumers at the least cost of time and the greatest convenience for the purchase of products. The economic efficiency of distribution infrastructure objects is characterized by volumes and structure of food sales, price, quality, delivery services, granting of loans, etc. The mechanism of competition contributes to the increase of social efficiency of distribution infrastructure entities in order to increase their economic efficiency, as well as their existence depends on the ability to meet consumer demand [2]. In addition, the size of the economic effect of the objects of distribution infrastructure is influenced by changes in the external and internal environment (organization of marketing activities, reliability of contractors, the system of mutual settlements, availability and completeness of information, qualifications and cost of labor, development of the social sphere of the region, transport conditions, etc.). Consequently, the organization of agricultural cooperative and wholesale food markets will help to provide mobility and flexibility to the marketing infrastructure of the agro-food market due to the development of trade enterprises oriented at different categories as producers of food products and its consumers. It should be noted that cooperative and wholesale markets should give the peasant production a major role in shaping the supply of goods and prices for them. Many years of experience in the work of such wholesale markets in the world proved that it was the peasant manufacturer's cooperation with the wholesale markets that provided them with a stable, predictable and positive development. In Poland, for example, in order to encourage the work of such markets, even methods of trade ban on them were used for non-commercial producers, and for local ones - for non-local ones. The market concludes agreements with village councils, where the production of fruit and vegetable products is concentrated. Each peasant can get a manufacturer's card, which guarantees him the presence of a trading place on the market; 10% discount in the season; Latest news on trade, prices, production volumes and assortment; Contacts of the market administration. To receive a card, you must take a certificate from the village council on the availability of land (or a certificate of growing any products) to be provided by the market administration. According to the manufacturer in the specially reserved trade zone on the market will be given a trading place. In addition, peasants in the territory of the market organized the operation of an information certificate, through which the manufacturer can find information on the state of the market: prices for products, volumes and assortment of products located on the site, current tariffs, and also to reserve a trading place. Cooperation with village councils involves informing the latter about the state of the market - information on prices for the main types of products grown in rural areas is provided, then it is distributed among the peasants through information posters placed on the territory of the village council.

Conclusions

Wholesale markets, which are one of the organizers of distribution infrastructure, can not solve the issue of rational organization of wholesale food products. It is expedient to introduce to the food distribution system existing wholesale enterprises with storage capacity, areas and equipment for processing of cargoes, processing and auxiliary enterprises, as well as distribution terminals of large wholesale organizations, creating

on their basis wholesale food markets, distribution food centers. Independent distribution centers, which can be methodical, organizational and technological structures, can be widely developed, which enable to work out the mechanisms of creation and effective functioning of regional wholesale companies, taking into account its specifics. It is possible to create distribution centers of food on the basis of existing wholesale fruit and vegetable enterprises, which have a relatively developed storage system, refrigerated containers. A condition for the implementation of regional food policy should be an integrated approach to the organization of the wholesale market management system. At the same time, priority should be given to: improving the regulatory framework of wholesale trade; State supervision and control over observance of the current legislation on wholesale trade; State regulation of investment activity through the competitive financing of innovation and investment projects in the wholesale sector using budget, extrabudgetary and borrowed funds at the expense of debt issuance, state stimulation of entrepreneurship in wholesale trade through regional support programs; Support of domestic commodity producers through the provision of commodity loans to large wholesale structures under the guaranty of local administrative structures; Preferential lending for food purchases, provision of regional administration guarantees under commercial bank loans for wholesalers; Providing privileges to the property tax for major wholesalers who carry out a full range of supply and sale transactions with the transfer of ownership of goods.

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