

Increase of competitiveness of production of seeds of olive cultures

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The purpose. To offer directions of increase of competitiveness of production of seeds of olive cultures in modern conditions of transformation of agrarian market. **Methods.** System generalization, abstract-and-logic, analysis and synthesis, supervision and questioning. **Results.** The subject structure of the market of olive cultures is studied and characterized. Marketing research is carried out for revealing deterrents for expansion of parameters of the market of olive cultures on increasing volumes of production of seeds of these cultures. Industrial chain in a cut of subjects of the market is generated, but efficiency of its functioning is on the low level owing to misbalance of interests. **Conclusions.** Production of seeds of olive cultures in domestic agrarian market is competitive. Problem of increase of competitiveness of production of seeds of olive cultures consists in neutralization of influence of deterrents and balancing interests of subjects of the market.

Key words: *competitiveness, seeds of olive cultures, subjects of the market, market of olive cultures.*

Activity of enterprises as subjects of market relations takes place in conditions of strict competition. Competitive market environment creates conditions for economic development. Scientific approaches and tools for increasing the efficiency of production of seeds of oilseeds are of great importance during the period of integration processes of the domestic agricultural market in world trade communications. Increasing competition in the oil and fat sector, aggravating processes of monopolization of the production of seeds of oilseeds, increasing processing volumes and differentiating their consumption patterns lead to the need for enterprises to use new and modern tools of flexible response to numerous market challenges and transformations. As the oil and fat complex of Ukraine occupies a significant place in the world production of oilseeds, the urgent issues are the search for new directions of increasing the competitiveness of the production of seeds of oilseeds.

Analysis of recent research and publications. The theoretical and methodological foundations of competitiveness assessment were considered in [1-4]. The analysis of indicators and criteria for increasing the competitiveness of the enterprise is reflected in the research of Kolomyets I.F. [5], Zamasiy O.V. [6]. Different questions of the competitiveness of the production of agrarian products are highlighted by the scientists Kvasko A.V. [7], Veligina A. [8], Kulyshova G.M. [9], Ustik T.V. [10]. Increasing the competitiveness of agrarian products is a matter of state-level, which is always the attention of scientists. Among the proposals for improving the competitiveness of agricultural production, the focus is on industrial aspects or market regulation measures. For example, grow sunflower on new energy-saving technologies "no-till", apply specific microfertilizers and varieties of seeds to obtain the best crops, improve the motivation of labor [11, p. 40]; to set prices that will provide profit for expanded reproduction, reduce taxes for farmers, establish a system of privileges [12, p. 127]; reorientation to the innovative way of economic development of Ukraine, the implementation of structural changes in the economic complex of regions [13, p. 175]; to create clusters from enterprises connected by a single technological cycle of obtaining final products, at the state level to provide support for the prestige of improving and improving product quality [10], etc. Of particular relevance, these issues are acquired during a recession or economic crisis. The risk of lowering the competitiveness of products due to changes in the current state

of the domestic agricultural market necessitates an operational analysis of the market situation with appropriate solutions and development proposals.

The purpose of the research is to investigate the main aspects, to systematize the factors of influence and to offer directions for increasing the competitiveness of the production of seeds of oilseeds in the current conditions of the transformation of the agrarian market.

Research results. Today, competitiveness is one of the most important integral characteristics that are used to analyze the Ukrainian economy as a whole, its individual industries and individual commodity producers. A significant place in the export potential of Ukraine is the oil and fat complex of the agro-industrial complex, in which in recent years there have been changes: an increase in the production of soy and rapeseed, an increase in the consumption of soybean meal, which is mainly covered by domestic processing of soya, and most importantly - a significant increase in sunflower processing and the transition from export of the seeds of this crop to the export of sunflower seed processing products [10].

The production of oilseeds seeds is characterized by a high level of profitability compared to other crops. Sunflower is the most cost-effective crop - 63.4% in 2015, against 36.5% in 2014, followed by rapeseed - 58.8% in 2015 versus 29.2% in 2014. And it is important that that under the difficult conditions of the economic crisis of 2015, the profitability of these crops not only did not decrease, but also increased on sunflower and rape, with the exception of soybean. Over the last year, soy has significantly lost its position and has not withstood competition in the market of oilseeds - the profitability of its production dropped sharply from 35.0% in 2014 to 10.0% in 2015 due to lower productivity. As we see, fluctuations in the level of profitability of oilseeds production are due to the influence of production and market factors. The higher the profitability of the production of a particular culture, the more attractive is the production of this crop for the farmer.

Managing competitiveness should be understood as a permanent, systematic, purposeful process of influence at all hierarchical levels on the factors and conditions that ensure the production of high-quality and competitive products. That is, it is an adjustment process for the formation of production and consumption of products with a view to introducing into the market a competitive commodity and reducing the influence of subjective factors [2, p. 86].

The following market factors influence the competitiveness of oilseed oil production: volumes of demand, offers on commodity seeds of oilseeds; Directions of consumption of main oilseeds (processing, export, seeds); price situation; the state and prospects of development of the internal market of oilseeds processing, strategies of significant market participants; changes in the market conditions of the main oilseeds; the level of competition for raw materials (sunflower, soybean, rape) on the market of oilseeds among processors and exporters; tax policy in the agrarian sector of the economy; financial and credit policy; availability of external markets - the presence or absence of protective barriers to oil crops.

Among the factors affecting the competitiveness of the production of seeds of oilseeds, we distinguish the following: low level of intensification of agricultural production; outdated physically and morally technical basis of agricultural enterprises, especially of state ownership; outdated technologies of cultivating oilseeds and their unsuitability to the parameters and requirements of modern technology; a low proportion of irrigated lands, especially in the steppe region of Ukraine; disparity in prices for fuel, fertilizers, chemicals and oil products; reduction of soil fertility level.

It is clear that this list varies according to the market of oilseeds in the direction of increasing the number of factors or reducing them depending on the financial state of the enterprise, production capacities, strategic goals and company's mission in the agrarian market, etc. But taking into account these factors and their due assessment will allow preventing possible risks of reducing the profitability of the production of seeds of oilseeds, to build promising production plans.

The concept of competitiveness means matching the product with the specific needs of consumers for quality, price, aesthetic characteristics, and differences from analogues. The production of oilseeds is characterized by stable growing production figures. In Ukraine, the production of oilseeds has exceeded 16.8 million tons on an area of 8.3 million hectares. Every year about 10-12 million tons of oilseeds are used for oil production, 3.5 million tons of oilseeds are exported. The leading position in terms of

production is sunflower - more than 11.4 million tons. The highest yield was recorded on rape at the level of 26.1 centers per hectare. Soybean production grew from 2.6 million tons in 2013 to 3.6 million tons in 2015 (+ 37%), while the processing speed of rape shows (in 2 times) - from 0, 14 million tons in 2013 to 0.3 million tons in 2015.

The competitive (market) position, in turn, contributes to the achievement of the most competitive status on the market in the process of competitive competition. To succeed in achieving the chosen competitive position, you must use all possible tools [11, p. 86]. The market position of oilseed oil seeds is competitive because each oilseed crop has appropriate uses. Almost the entire produced sunflower is processed into oil - up to 97%, 0.3% - exported. Rape is an export culture: over 80% of rape is earmarked for export, rape-to-oil processing increases annually and makes up about 18%. Soybean products specialize in two directions: 30% of the total is processed into oil, and 57% is exported. It should be noted that the transitional residues of produced products do not exceed 2%.

The competitiveness of the product on the market of oilseeds determines the price and quality of products. The bulk of the price is the production cost and profit. The quality of the product is a set of properties and characteristics that determine the ability to meet specific personal or production needs in accordance with their destination [7, p. 32]. Competitive is the product on the market, which successfully combines price positions and qualitative characteristics. However, during a period of economic recession or economic crisis, the price factor becomes predominant. If we evaluate the competitiveness of oilseed oil seeds through the prism of the price situation, it should be noted that it is stable. Prices for sunflower, rape and soybeans have grown to 9-10 ths. UAH / t over the past 3 years, retaining high positions with a tendency to increase. At the same time, the price positions of grain crops do not exceed 5 thousand UAH / tone, which is twice lower than the price positions of the main oilseeds. Consequently, the production of oilseeds is attractive for agrarian producers in terms of price positions.

Competitiveness is a concept that clearly correlates with a particular market and the time of sale. Competitiveness is closely linked to a specific market (internal, regional, national, international, etc.) and needs strictly assigned groups of consumers [4, pp. 222-223]. Agreeing with the author of this thesis, we note that competitiveness is also closely related to the subjects of a particular type of market.

The subjects of the market of oilseeds are originators of reproductive seeds, producers, exporters and processors of commodity products, the state as a regulator. Each of the abovementioned entities should perform a specific function on the market and provide a phased chain: "the creation of new varieties - the production of original seeds - the production of commodity seeds - the processing of part - the sale of products on the world market." All market participants are interested in increasing the capacity of the market, increasing its volume.

Thus, the originators of reproductive seeds are interested in spreading the geography of their own varieties within the country, as well as establishing a systemic cooperation with the seed producing companies. Manufacturers of commodity products seek guaranteed sales of finished products at market prices. Exporters are interested in steadily increasing supply volumes on the market and concentration of large parties within certain territorial boundaries. The raw material processors are focused on the production of demanded butter and its sales. The state is interested in strengthening the potential of agricultural production, strengthening positions in international markets.

Previous studies have shown that at the present stage, the functioning of the market of oilseed crops in the context of its subjects is unbalanced. Thus, powerful enterprises for the production and processing of oil seeds are united in profile associations to protect their own interests, small and medium producers of commodity products of oilseeds from year to year "flow by the flow", exporters conduct a policy of prompt purchase of raw materials with its subsequent export, domestic seed originators compete with each other for the share of the seed market, foreign seed companies continue to conquer the market of oilseeds and the state institutions of agrarian sphere realize reform. Therefore, the previously mentioned chain "the creation of new varieties - the production of original seeds - the production of commodity seeds - the processing of part - the sale of products in the world market" is formed, but its efficiency is low. The current legislative framework in the market of oilseeds market (duties, subsidies, loans) does not

correspond to the current challenges and does not take into account the real demands of market players. The state's agrarian policy in the field of protection of domestic seed oilseeds needs to be improved. According to the results of our marketing research, we have summarized the main restraining factors on the way to expanding the parameters of the market of oilseeds from the point of view of its subjective composition. Thus, among the producers of small and medium-sized enterprises, the following problems were fixed: the increase in the cost price of production in 3-4 times, uncertainty in the land market, changes in tax legislation, high price of credit resources, and lack of effective lending support of the state and forecast sales channels of finished products. Large enterprises and agro holdings focus on dissatisfaction with demand for high reproduction seeds, high prices for elite seeds. Exporting companies are distinguished by high purchasing prices, the lack of large batches of commodity seeds, insufficient quality of finished products, fluctuations in supply volumes. The activity of processors is concentrated mainly on sunflower, the volumes of which are not sufficiently produced in the country against the background of a faster pace of growth of processing capacities. Periodically there are interruptions to the purchase of raw materials, resulting in power idle. For this reason, oil producers are increasingly diversifying the processing of soya and rape. Originators of seeds are the main obstacle to the presence of counterfeit seed products and forgery, the expansion of foreign selection, especially in the market for sunflower seeds and rape seeds. An urgent problem is the imperfect system of payment of royalties to breeders and authors of varieties (hybrids) in breeding and genetic institutions of state ownership. As a result, a low proportion of introduction into the production of new domestic varieties and their distribution is recorded.

Despite the steady trend of highly profitable production of seeds of oilseeds, there are changes in production processes that require analysis and the search for ways to neutralize negative factors of influence. The question of increasing the competitiveness of the production of seeds of oilseeds, along with the neutralization of the effects of restraining market and production factors, is also in the area of taking into account and balancing the interests of market players. To do this, we offer the following directions for increasing the competitiveness of the production of seed oilseeds:

- Formation of state regional and branch medium-term programs for the production of seeds of oilseeds with the direct participation of the Ministry of Agrarian Policy of Ukraine and the network of the National Academy of Agrarian Sciences of Ukraine on the basis of domestic selection resources. The state programs should give priority to the original seed of domestic breeding and provide for the introduction into production of new varieties and hybrids on its basis. It should be noted that the program of oilseeds production for the period of 2011-2015 is not fulfilled.

- Growing of oilseed crops on the basis of innovative energy-saving technologies and modern high-yielding varieties and plant hybrids. Increasing the level of agricultural culture and agricultural machinery for the production of seeds of oilseeds, applying the necessary spectrum of agrotechnical measures for improving the phytosanitary state of soils and increasing the yield of oilseeds, adherence to scientifically substantiated recommendations when planning crop rotations in placement of oilseeds crops.

- Implementation of modern marketing measures in the production and marketing activities of domestic breeding establishments and companies: conducting of training seminars, field days, demonstration polygons, trainings and consultations of specialists on the basis of establishments-initiators of seeds.

- A systematic rejection of raw material exports of rape and soya products. The regulation of free access to foreign markets for soybean and rape products, which has a significant production volume and the potential for the creation of products with a positive value (oil, barley) in the domestic market, as is the case with sunflower. Deepening the processing of oilseeds seeds, expanding the range of products and their use in other industries.

- Creation of a branch association (association) around the common interests of all entities in order to balance their interests and increase the efficiency of the functioning of the market of oilseeds. Cooperation under the auspices of the Ministry of Agrarian Policy of Ukraine and coordination of efforts of specialized associations, such as, for example, Ukroliyaprom, Ukrsoy.

- Ensuring the availability of lending to agrarian enterprises through the restoration of an effective program of preferential lending to agricultural production. The volumes of allocated state budget funds to reduce the cost of loans in the current year in the amount of 300 million UAH does not correspond to the realities of the agrarian market and the demands of its entities.

Conclusions

Competitiveness is an important indicator of the success of products in the agrarian market and serves as a key indicator of efficiency. Oilseed production has a high level of profitability, has a stable demand in the domestic and foreign markets, is characterized by rising price positions, and, therefore, is competitive. The level of competitiveness of oilseed oil production depends on a range of market and production factors. Taking into account these factors of the impact on the competitiveness of the production of seeds of oilseeds, their due assessment will allow economic entities to prevent possible risks of reducing profitability, to formulate promising production plans. The research of the subjective structure of the market of oilseeds has shown that all market participants are interested in increasing the market capacity, increasing its volumes and strengthening the production chain. It is determined that the issue of increasing the competitiveness of oilseed oil production, along with the neutralization of the effects of restraining factors, is in the plane of balancing the interests of market players.

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