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OPERATION OF THE MARKET OF FLUX IN UKRAINE

The purpose. To analyze indexes of production and consumption of flux, price conjuncture in domestic market of flux, to determine major factors influencing further development of the market of flux in Ukraine. **Methods.** Theoretical generalization, economic-statistical, graphical, comparative. **Results.** Analysis of indexes of production and consumption of flux in domestic agrarian market by natural-climatic zones is presented by regions of Ukraine, as well as dynamic price conjuncture, major factors of influence on the further development of the market of flux in Ukraine. **Conclusions.** The market of flux in Ukraine is exportoriented one (the export duty is 10%). At the same time it is not balanced within the limits of subjects and key parameters, and shows fall of rates of the industrial indexes, and is oriented on production in zone of Steppe. It is characterized by unstable industrial indexes, at the same time it is prognosticated and has no developed infrastructure. That market is also perspective in intermediate term in view of availability of demand of exporters, producers, manufacturers.

Key words: market of flux, production of flux, directions of consumption of flux, price items of flux.

Formulation of the problem. Production of flax reduced in Ukraine, despite the fact that the country has an export marketing of flax seed to the EU at the level of 30-40 ths. Tons in the year. Flax ranked fifth in terms of production among the oilseed after sunflower, soybean, rapeseed and mustard. Flax - drought-resistant and can use the moisture, inaccessible to other cultures. Among the crops, which are grown in the arid conditions of the south of Ukraine, flax is the most drought-resistant, precocious. The short vegetation period significantly reduces the risks of natural crop shortfalls and allows manufacturers to receive revenue from the sale of finished products in the middle of summer. In the context of climate change in the direction of warming, the cultivation of linseed acquires relevance in the southern and eastern regions of Ukraine. The structure of the crop rotation steppe and forest steppe of Ukraine overloaded of sunflowers. Therefore flax can be a real competitor, especially in irrigated areas. Yields a flax seeds in the best farms of up to 10 t/ha or more. Flax was grown mainly in Dnipropetrovs’k, Zaporizhya, Mykolaiv and Herson regions [12]

Analysis of recent research and publications showed that the interest in the market perked up considerably against the background of popularization of flax as an alternative oilseed in agricultural production, and given the high level of procurement prices. Aspects of production and practical technologies cultivation of flax covered in publications Chekhov A. [6], Kostyushko I. [1], Shkurko [15]. Analytics functioning of the linseed market, forecasts of its development is presented in the works of Safonov Y. [13], Nikolayenko S. [5], Pahaychuk N. [7], Maslak A. [4], Kruchinina A. [2], Makarenko V. [3]. At the same time, insufficient address the issues of price conjuncture, subject composition, seed producer’s competitive position in the flax market.

The purpose of the article - to identify the main trends in the domestic of flax market, present the price situation in flax market, to analyze the composition of market participants, to examine the competitive position of producers, to summarize the factors affecting its development.

The results of research. According to the recommendations of the leading flax seed manufacturers, each agricultural enterprise can be placed flax up to 20% in its structure. According to some of the leading producers of flax cultivation does not need a lot of money - it costs 1,3-1,5 times cheaper than sunflower. Profitability is up 200% [7, P. 41-42; 1, P. 18]. The average yield of flax is 8 cent/ha, but under compliance with the cultivation technology it can reach 18-20 cent/ha, the cost of 1 ha makes 2,0-2,5 thousand UAH. According to calculations by Syaivo Ltd., even when its yield makes 7 cent/ha at a cost of purchases 3700 UAH/t, flax is profitable [5, P. 23; 3, P. 28].

Flax production in Ukraine is characterized by a downward dynamics. During the period 2012-2014, the amount the acreage decreased from 48 thousand. Ha to 23 thousand. Ha, or by 49%, due to reduction of sown areas in the steppe zone from 41 thousand. Ha to 15 thousand. Ha, or 36%. In the forest-steppe zone, the area of flax increased from 5 thousand. Ha to 7 thousand. Ha, or by 30%, in the forest-steppe zone extension area increased to 1,8 thousand. Ha. The largest areas of cultivation of flax are concentrated in the Crimea - at the level of 18 thousand hectares, which Ukraine actually lost (Table 1).

1. Dynamics of the acreage of flax in Ukraine in 2012-2014.*

Region	2012	2013	2014
	га	га	га
Crimea	16481,3	18673,5	-
Dnipropetrovsk	3244,8	1676,8	1533,63
Donetsk	556,6	394	664
Zaporizhya	7288,7	5784,4	5492,77
Kirovograd	603,6	190	200
Lugansk		924,8	
Mykolaiv	3546,2	1322,6	1882,31
Odessa		4766,6	2858,38
Herson	8969,6	5543,4	2015,22
Step	40690,8	39276,1	14646,31

Vinnitsa	397	342,5	476,9
Kiev	8,9	11,2	388,3
Poltava			
Sumy	448	598,5	830
Ternopil	30		
Kharkiv	4256,	2736,	4927,
Khmelnitsky			
Cherkassy		25,5	87,5
Chernivtsy			
Forest-step	5140	3714,	6709,
Volyn			
Zhytomyr	747,5	921,5	1191,01
Zakarpattya			
Ivano-Frankivsk	30	475	15
Lviv	47	42,3	603,1
Rivne			
Chernigiv	859,2	1537,	
Polissay	1683,	2976,	1809,11
Ukraine	47514,5	45966,8	23165,22

* http://www.4sg.com.ua/

In the end of 2014, the high positions by the area of cultivation of flax are occupied by Zaporizhya region -5 thousand. Ha, Kharkov region - 5 thousand hectares, Odessa region - 3 thousand hectares, Henson region - 2 thousand ha. Recorded by downward dynamics a acreage of the flax in all areas, except by Kiev region, where the growth of area of flax occurred in 44 times (from 9 hectares in 2012 to 388 hectares in 2014) and Lviv region - in 12 times (from 47 hectares in 2012 to 603 ha in 2014). It is worth noting that there are areas that are not cultivated the flax. It - Poltava, Khmelnitsky, Chernovtsy, Volyn, Zakarpattya regions.

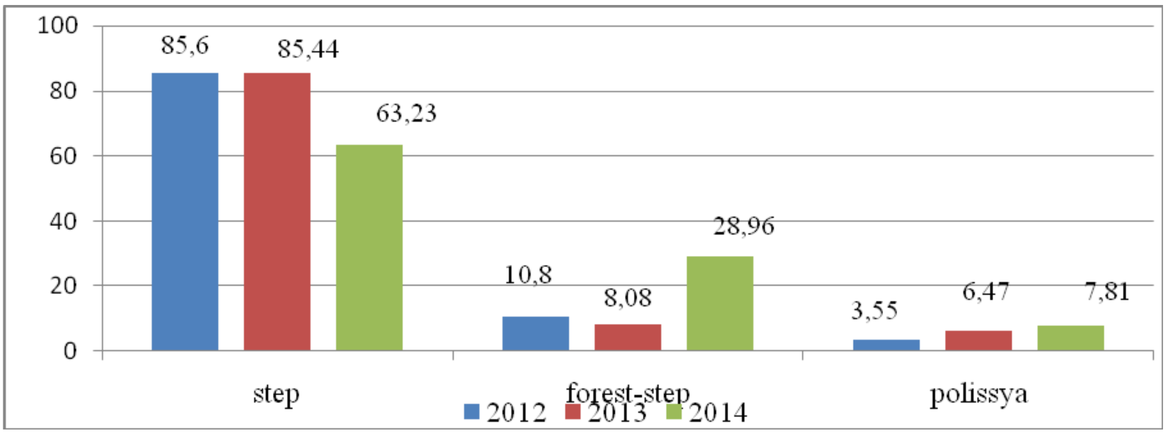

Fig. 1 Structure of flax crops, %.

Decrease of gross harvest of flax over the period in is 28% - from 41 thousand tons in 2012 to 30 thousand tons in 2014, according to the reduction in acreage. Growth of flax yield from 7,8 c/ha in 2012 to 8,7 c/a in 2014. The increase of yield flax in 2014 provided is increasing gross yield of 18% compared with the rate of 2013 (Tab. 2).

2. The dynamics of performance of flax in Ukraine*

Index	2012	2013	2014	Changed, %
Gross, ths tons	41,4	25,4	29,9	72,2
Yield, c/ha	7,8	6,7	8,7	111,5

** According to the State Statistics Service of Ukraine*

The performance of the flax in Ukraine does not exceed of 9 c/ha. If we compare the average yield of 7,7 t/ha with the potential yield level of 20 t/ha, we come to the conclusions, that the potential of this crop is not used and a half. For example, in the farm "Alfa-agro" on Herson region, the yield of flax ranges from 10 to 18 c/ha. The specialists of company have noted that compliance of technology cultivation of flax can provide yields to 20 c/ha [7, p. 40-41].

Almost the entire volume of flax in Ukraine is exported, because the domestic consumption is negligible. Exports - the traditional direction of using flax in the last 10 years. Ukraine annually exports about 30 thousand. t of flax. The main consumers are Belgium (8 ths. t), Poland (4-5 ths. t), Lithuania (2-3 ths. t), and Germany (2 ths. t).

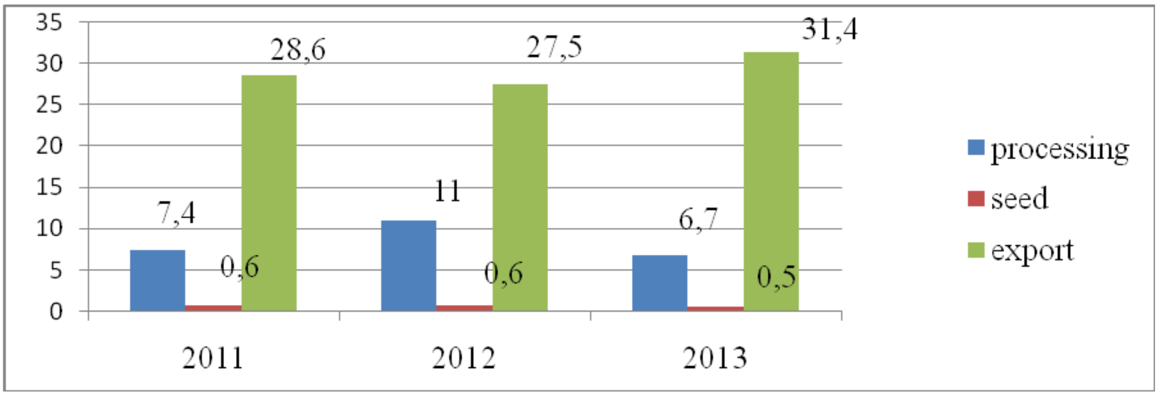

Fig. 2. Using of flax direction in Ukraine, ths. t.

Consequently, an export of flax is up 80% in the total consumption and export rates are growing, despite the availability of export duty of 10%. On domestic market on the flax oil it processed about 7 thousand. t on the year, or 17%. On the seeds sent to less than 1 thousand. t the volume produced of flax, or 1,5% of total consumption (Fig. 2).

The price situation on the flax market in recent years is characterized by growth. In 2012 the price of flax ranged from 3400 - 4550 UAH/t, in 2013 - 4100-5200 UAH/ t, in 2014 - from 4300 to 7100 UAH/t (Fig. 3).

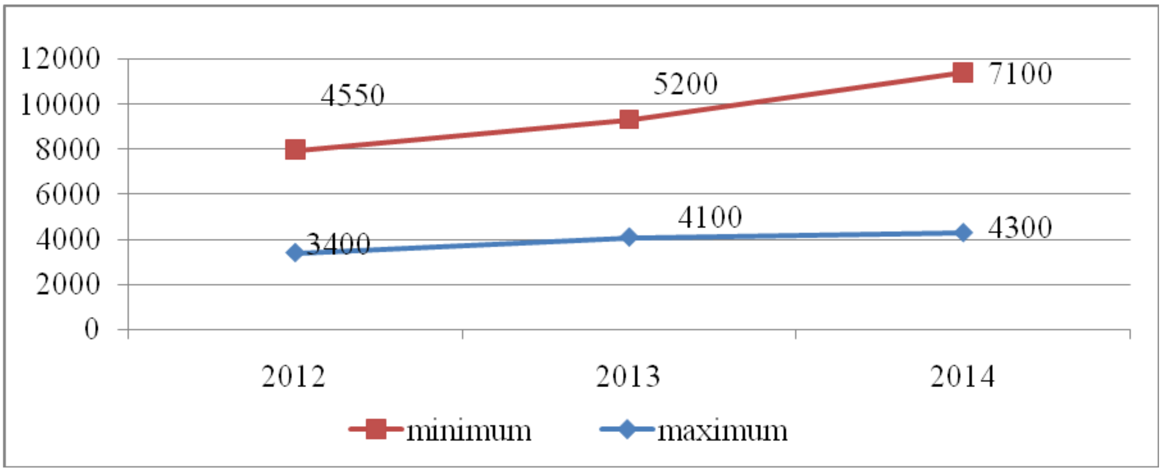

Fig. 3. The minimum and maximum prices on the flax market, UAH/t.

For example, in 2014 the minimum price of 1 ton of the flax exceeded the price of 1 ton of sunflower on 1200 UAH/t, of soybeans - on 250 UAH/t, of rapeseed - on 800 UAH/t. The maximum price of 1 ton of flax was higher than the price of 1 ton sunflower on 500 UAH/ton, of soybeans - on 100 UAH/t, of rapeseed - on 1200 UAH/t.

The subjects of the flax market are originators of seeds, producers of seed, exporters, processors of products, state. Each of subjects carries out its mission in chain "created new varieties - the production of original seeds - production of commodity seeds - processing - sales of products in the global market." All market participants are interested in increasing the capacity of the market, increasing its volume.

Saleable production of flax depends on the production of flax seeds in a network of research and seeds farms, decertified and has the right to manufacture basic and certified seeds categories. In 2015 production of seed was engaged of 741 seed enterprises. Of these, 16 farms are producing of flax, which is 2% of the total. Leading producers of flax are "Alfa-agro", "Agrarnik", "Russian LTD" SEC "Zelenoyarski", "Oasis", "Techno-project", "Elana ", Dragmi, Izvestiya, "Socrat".

Last year, in Ukraine are cultivated 9 varieties of flax. It is well-known varieties of flax: Evryka, Original, Blakytno pomaranchevyi, Versal, Vodohrai, Orfei, Aisberh, Debiut, Pivdenna nich. The greatest demand enjoys the sort Evryka - it grew 7 specialized seed farms, and the remaining 8 varieties are growing in 2 farms. Varietal Composition of fiber flax totaled only 3 varieties: Hand, reliable and Gladiator. Only sort Nadiyny is produced in 2 seed farms. Compared to the previous 2014 the situation improved somewhat. So, one manufacturer has added to the general list of producers of flax, and varietal composition of the flax expanded of new variety Original.

Dynamics making of varieties of linseed is stable. In the State Register of plant varieties suitable for dissemination in Ukraine includes 15 varieties of flax, of which 13 - domestic and 2 - foreign. The leader among the originals of flax to quantity of varieties of linseed in the State Register is Institute of oilseeds NAAS (8 varieties). This is a varieties of flax of this Institution - Aisberh, Pivdenna nich (in the register of 2001), Orfei (in the registry of 2002), Zolotystyi (in the registry of 2005) Kivika (in the registry of 2007), Vodohrai (in the registry of 2009), a new variety Svitlozir (in the registry of 2015). Competitor of Institute of oilseeds NAAS is NSC “Institute of Agriculture NAAS” (4 varieties). This is varieties of linseed - Evryka (in the registry of 2004), Blakytno pomaranchevyi, Sympatyk (in the register of 2007), Orihinal (in the register of 2012). In 2015 LTD "Research Institute of selection" first introduced in the State Register the grade of linseed Versal, becoming the first domestic private originators of linseed in Ukraine. The foreign selection are presented sort of linseed Lirina (in the registry of 2002) germane originator "Deutsche Zaatferedelunh AG" and sort of linseed Nadiiniyi (the register of 2007) Russian DNU "Dons Experimental Station."

Unfortunately, selection achievements are not reflected in the positive dynamics of production and reproduction of linseeds. Most varieties are sown - are obsolete. Thus, 47% of the total or 7 varieties of linseeds are exceeding the term of registration of 10 years. In addition, some of the seeds firms provide seeds by domestic production. Also used seed of third, fourth and lower generations to the same old varieties. All this adversely affects the yield and volume production of flax.

It is important to emphasize, that is not sufficiently the processing of flax. Segment the processing of linseed is monopolized by PJSC "Nijinsky fat factory", LLC "Factoriya", LLC "Agroselprom", LLC "System", LLC "AVA". The share of the first two companies, account for over 60% of the processing of flax.

The study is made of generalizations factors influencing development the linseed market in Ukraine. Factors reducing size of linseed market include: low productivity culture, high seeding rate, a small popular culture, low level processing of flax, shortage of quality seed of high reproductions, limited range of new varieties, non agricultural practices of cultivation, export duties.

Factors increasing of linseed market: adaptation of linseed to grow in all regions of Ukraine, drought resistance, short period of growing (80-105 days), resistance to adverse weather and climatic conditions, easy technology of cultivation, unpretentiousness to soil fertility, the liquidity of commercial products, growing demand of exporters, the high price of the agricultural market, the abolition of export duty.

An issue of further development of the linseed market is in the plane of the consideration and balancing the interests of subjects market, which is the responsibility of the state. Domestic law provides for regulation of deliveries from Ukraine the linseed in the form of export duty of 10%. At the same time, the highest volumes of exports in oil and fat sector recorded on rapeseed, soybean, sunflower, and soybean oil - the goods not covered by export duties. This indicates a lack of consistency in the regulation of the market of oilseeds; because not tracked the current state of market conditions and of the desire to build up basic options. According to market participants, the abolition of export duties able to positively influence the expansion of market capacity, increasing the number of participants, increasing domestic competition.

Conclusions.

The main trends in the domestic market linseed is the reduction of performance, instability planning structure of crops, poor processing sector, low level of competition among participants of market. In Ukraine there is no domestic demand on linseed oil for reasons of taste preferences and traditions of consumption of oil in the diet. The low level of domestic consumption makes the export direction linseed.

Significant changes in the redistribution directions of consumption linseed in recent years did not take place, other than a slight increase in export volume due to the high cost of implementation while reducing production volumes. Both directions of consumption linseed are characterized by the use of flax as stable. Flax - leader in price positions in the agricultural market of oilseeds, which is a significant motivation for putting it in rotation agricultural enterprises. The linseed market in Ukraine is export orientated and promising, given the existence of a stable demand for exporters, processors.

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