

Assessment of contemporary state and perspectives of development of village facilities of Volyn

Sokolova A.¹, Holii N.², Honta N.³

^{1, 2, 3} Volyn state agricultural experimental station of NAAS, Shkolna Str., 2, Rokini, Lutsk region, Volyn oblast, 45626, Ukraine; e-mail: ¹alla.sklva@rambler.ru, ^{2, 3}voldsgds@gmail.com

The purpose. To analyze contemporary state and to evaluate perspectives of development of village facilities on an instance of Volyn oblast. **Methods.** System generalization, abstract-logical, analysis and synthesis, economic-and-statistical, comparative, sociological interrogation. **Results.** Role of facilities of the population of Volyn oblast in total production of plant growing and animal husbandry is probed. Facilities of family type which produce, consume and realize agricultural products are the basic source of incomes of agricultural population. Local authorities (beginning from 2011) support of personal peasant farms (PPF) with 3 and more cows (so-called family farms). **Conclusions.** Objective conditions for further development of PPF predetermine necessity of transformation separate facilities in family farms with acquisition of the status of juridical person or physical person - businessman. Only in this case they become independent equitable economic subject of organizational system of farm-production. And that will promote their economic independence and will ensure heightening standard of life of agricultural population of Volyn.

Key words: village facilities, personal peasant farm, family farm, agrarian business, incomes of agricultural population.

Rural households play an important role in the development of the agricultural sector of Ukraine in view of the need to strengthen the multifunctional role of agriculture and European integration. They carry out their activities in accordance with the provisions of the Land Code of Ukraine and the Law of Ukraine "On Private Households", which notes that private households is an economic activity conducted without registering a legal entity by an individual person or by persons who form a family or are in family relations and live together, to meet personal needs through the production, processing and consumption of agricultural outputs, the realization of surplus products and the provision of services for the use of private household property, including the rural green tourism area [7].

State statistics authorities also use the category of "citizen households", which includes households engaged in agricultural activities with an aim for both providing themselves with food products and outputting marketable agricultural products. This category also includes individual entrepreneurs who carry out their activities in the field of agriculture [12, p. 270]. That is, the category of "citizen households" unites all producers of agricultural outputs that do not have the status of a legal entity. They include: private households; citizens engaged in agricultural activities on lands allocated for the construction and maintenance of a dwelling house and farm buildings, collective and individual gardening and truck farming, suburban areas; private entrepreneurs who carry out their activities in the field of agriculture.

Under the influence of market factors, Ukraine has developed a structure for the production of agricultural products, in which households have their own niche. At the moment there are 4,3 million of private households in the country. They occupy 6,501.0 thousand hectares of land, producing about 50% of the gross agricultural output, and, in addition, 97% of potatoes, 89% of open ground vegetables, 84% of fruit and berry crops, 80% of milk, 75% of beef, 59% of pork, etc. [8]. Recently, the state food security, cash income and living standards of the rural population have become connected with the activities of private households. Moreover, rural households can be considered as a composite unit for the development of agrarian entrepreneurship providing they are transformed into family farms.

An analysis of recent research and publications. Socioeconomic, organizational and legal aspects of the rural household development have been studied by Yu. Guben [1], V. Diyesperov [2], V. Zbarsky [3], M. Kropyvko [5], Yu. Lupenko [6, 8], M. Malik [8], I. Prokopa [10] and other scholars. Despite the large number and versatility of research conducted, some issues related to the further development of private

households in the conditions of market transformations at the regional level still remain insufficiently studied. The creation of a favorable institutional environment for the effective development of private households deserves a special attention, thus justifies the choice of the given research direction.

The aim of the research is to analyze the current state and assess the development prospects of rural households through the example of Volyn region.

Methods of research include systemic generalization, abstract-logical method, analysis and synthesis, economic and statistical method, sociological survey, comparative method.

Results of research studies. Private households remain a persistent business pattern in the agricultural sector of Volyn region. At present there are 152.6 thousand households that cultivate about 300 thousand hectares of land; they constitute a predominant share in the production pattern of gross agricultural output. In 2015 households output amounted to 4,1 bln hryvnia. Over the past eight years, there is a tendency of a gradual reduction in households' share in the regional output of agricultural products (from 79.5% in 2005 to 63.4% in 2015) – table 1.

1. Households' share in the output of agricultural products in Volyn, %

Production line	1990	2000	2005	2010	2015.	2015 to 1990 (+,-)
Agricultural products	40,8	79,7	79,5	73,3	63,1	22,3
Crop farming production, total, including:	34,5	75,8	78,6	76,7	66,7	32,2
- grain crops	2,8	34,5	48,3	56,4	46,2	43,4
- sugar beet	0,0	41,0	59,7	30,8	33,9	33,9
- potatoes	59,6	98,4	99,0	98,8	99,1	39,5
- vegetables	32,6	91,3	96,7	95,7	96,1	63,5
- fruits and berries	96,1	97,4	98,9	94,7	85,6	-10,5
Animal production, total, including:	47,6	85,6	80,7	69,6	58,4	10,8
- meat (in slaughter weight)	29,4	71,4	67,2	49,7	33,4	4,0
- milk	32,5	77,8	83,8	84,1	82,4	49,9
- eggs	59,4	95,0	79,9	90,0	87,8	28,4
- wool	7,3	92,9	94,3	96,3	90,7	83,4

Private households use 329.2 thousand hectares of land, manage 108.7 thousand head of cattle, including 86.5 thousand head of cows, 227.0 thousand head of pigs, 15.9 thousand head of sheep and goats, 2888.3 thousand head of poultry. In order to assess the current state of development, identify problems and substantiate the development prospects for private households in Volyn, since 2010 the Head Department of Statistics in Volyn region has annually been carrying out a sample survey of rural households. The survey covers all areas of the region. It involved 912 (or 0.6%) rural households, accounting for 0.9% of the household lands in rural areas. The selected households represent the totality of available households (citizen households) in the region whose residence is registered in the territory of rural settlements and which have land in their possession or use. The information obtained from the standard interview data distributed to the general totality of households within the framework of a sample survey about the agricultural activities of the rural population reflects the state of the households at the time of the survey. According to the sample survey of rural households in Volyn, the average area of land plots varied between 1.7-1.9 ha and in 2015 it amounted to 1.84 ha. The rural households with an area of more than 1 hectare are prevailing both in terms of quantity and land area, Table. 2.

2. The main general characteristics of rural households in Volyn

Characteristics	Years						2015 to 2000 +,-
	2010	2011	2012	2013	2014	2015	
Average size of the household land area, ha	1,80	1,87	1,88	1,82	1,87	1,84	0,04
Percentage of land shares and farm-outs in the total land area, %	43,8	50,6	53,1	49,2	51,8	48,3	4,5
Share of households that manage any type of farm animals,%, including:	86,1	86,9	81,7	83,3	76,1	75,1	-1,1
- cattle	59,7	57,4	52,1	56,5	47,6	51,3	-8,4
- cows	58,1	56,2	49,6	56,4	46,9	50,6	-7,5
- pigs	84,2	78,5	71,4	76,3	78,5	78,9	-5,3
Households with machinery	47,5	49,2	46,3	46,8	43,8	49,9	2,4
Households that attract hired help	17,0	9,7	13,6	10,2	13,2	15,5	-1,5

In 2015, private households grew 490.0 thousand tons of grain, 142.3 thousand tons of sugar beet, 1089.0 thousand tons of potatoes (almost 100% of the total output in the region), 265.6 thousand tons of vegetables. The contribution of single-person households to the livestock sector is no less significant. The owners of private households produced 59.8 thousand tons of meat (37.6% of the total output in the region), 350.3 thousand tons of milk (more than 80%), 170.2 million egg units (almost 88%). In total, the farmers own 19 769 tractors, 2533 combine harvesters and other trailed and soil-cultivating machinery, correspondingly, 88.2% and 78.6% of the total number of machinery in all categories of agricultural producers in the region.

The survey of agricultural activities of households showed that their cropping pattern significantly varies depending on the size of the land plot. The farmers, who cultivate up to 0.5 hectares of land, allocate 23.7% of the area for grain crops and 69.7% for potatoes and vegetables; while the share allocated for grain crops is 1.7-2.3 times higher in the households with a larger land area [11, p. 137]. However, the growth rates of agricultural production in private households of Volyn region are lagging behind the pace of their land use expansion. The reasons for this involve the disparity of prices for agricultural and industrial products; lack of adequate start-up capital; technical backwardness of small-scale production and its low efficiency; difficulties with the sale of products; inadequate cooperation among private households and the lack of integration with other agribusiness entities; absence of a developed market infrastructure capable of servicing private production; insufficient funds for further activities and the like.

Extensive support for the private household development is one of the priorities of the state agrarian policy, which should ensure the dynamic development of these households, the transformation of the most active of them into entrepreneurial structures. Volyn region has accumulated a certain positive experience to support the development of private households. With a purpose of ensuring the food security of Volyn, adapting the agricultural production to the standards and requirements of the World Trade Organization, and improving the information and consulting support for the private households, the Volyn Regional Council made a resolution No. 8/13 on December 27, 2011 to adopt the program for supporting private households in Volyn Region in 2012-2016. The aim of the program is to ensure, in accordance with the legislation, support for private households at the expense of the regional budget, to stimulate the production and sale of products, primarily animal products, by processing enterprises in the

market, to improve conditions for the production of labor-intensive products by private households, their technical equipment, to increase the employment rate and income of the rural population, and to solve social issues in the countryside. In 2016 by the decision No. 3/23 dated 10.03.2016 the regional council approved the "Comprehensive program for the development of the agro-industrial complex of Volyn region for 2016-2020" [4]. This program introduces the funding plan to support private households and includes:

- ✓ reimbursement of the interest rate on loans granted for construction and reconstruction of mini-milking parlors or milk delivery lines to farms and private households;
- ✓ reimbursement of the interest rate or commission on loans granted for the purchase of tractors with a power capacity not exceeding a drawbar category of 1.4 and a number of trailed implements that are aggregated with them for farms with up to 50 hectares of land and for private household owners;
- ✓ payment of subsidies for managing heifers in private households, which were born as a result of artificial insemination, grown and kept in this household up to 2 years old;
- ✓ payment of subsidies to private household owners (family farms), which own three or more cows;
- ✓ subsidies to private households and farms who cultivate up to 50 hectares of land, for planting orchards and berries;
- ✓ partial reduction in the cost of artificial insemination of cows and heifers in private households, etc.

In addition, households that keep three or more cows constitute a separate group of private households - family farms. On March 12, 2012 Volyn Regional Council (Decision No. 10/45) approved the regulation on a family farm, according to which a *family farm* (hereinafter referred to as FF) is an economic activity that is carried out by an individual or individuals who are in family or kinship relations, who live together, and own three or more cows. The purpose of a FF is to meet personal needs through the production, processing and consumption of agricultural outputs, the realization of surplus product. In order to register a FF it is obligatory to own 3 or more identified cows, possess premises for their keeping and to comply with sanitary and veterinary requirements, which allow owners of such households to enjoy support within the framework of national and regional programs that are actively implemented in the region. And this, in turn, encourages further increase in production and ultimately creates the conditions for raising income from the products sale. The type of activity of such farms does not apply to business activities. According to the Department of Agro-Industrial Development of Volyn Regional State Administration, for the period from 2011 till 2016 the number of such families increased from 860 to 3212, and the number of cows owned by such households - from 3,036 to 11,168 (Table 3).

3. Amount of family farms in Volyn region, as at 1.01.2016.

Characteristics	Number of households	Area of land in use, ha	Cow population, total, head of cattle
Private households, total	152600	339200	88000
Family farms	3212	12882	11168
Percentage of total	2,1	4,0	12,7

The greatest number of family farms is located in the towns of Rozhyshe, Horokhiv, Manevychi and Ivanychi districts. In part, Volyn experience contributed to the draft Law of Ukraine No. 1599 "On Amending Certain Laws of Ukraine on Stimulating the Creation and Activity of Family Farms", which was adopted by the Verkhovna Rada in the second reading on March 31, 2016 [9]. The aim of the adopted draft law is to create legal, economic and social prerequisites for the transformation of private households into family farms with the acquisition of the status of a legal entity or an individual entrepreneur. The

status of a "family farm" at the legislative level can be acquired by those rural households, which have "outgrown" private households, and the state, having enacted the appropriate law, will show willingness to closely cooperate with them as fully legitimate subjects of the agricultural market.

Conclusion

Having analyzed the problems and development prospects of rural households in Volyn, it was concluded that both regional and state agrarian policies aimed at their support and development should take into account the following basic principles: improving the regulatory environment for the functioning of households; upgrading the social and legal status of private households and apply measures of state support for their owners; harmonizing the interests of owners, employees and rural communities in the context of administrative decentralization; increasing participation of small agricultural producers in budget creation of rural territorial communities; strengthening land rights of the rural population and applying the system of economic regulation of land matters; expanding the production and improving technologies for the output of animal and crop farming products; establishing interaction between agricultural, processing and private farms on the basis of their cooperation and integration.

Bibliography

1. *Gubeni Ju. E., Koverko Ju. A. (2017). Rozvitok osobistih seljans'kih gospodarstv v umovah administrativnoi decentralizacii. Ekonomika APK. № 1. – P. 68 – 74. [in Ukrainian].*
2. *Diesperov V.S. (2015). Tendencii rozvitku sil's'kih domogospodarstv. Ekonomika APK. № 5. P. 70 – 79. [in Ukrainian].*
3. *Zbars'kij V.K., Kanins'kij M.P. (2008). Osobisti seljans'ki gospodarstva: misce i rol' u prodovol'tomu zabezpetenni kraini. Agroinkom. № 1 – 2. – P. 27 – 32. [in Ukrainian].*
4. *Kompleksna programa rozvitku agropromislovogo kompleksu Volins'koi oblasti na 2016-2020 roki, zatverdgena rihennjam Volins'koi oblasnoi radi vid 10.03.2016 № 3/23 // [Elektronnij resurs]. – Regim dostupu <http://agrovoly.com/program.php?news=739>.*
5. *Kropivko M. (2016). Osobisti seljans'ki gospodarstva : fenomen ti ob'ektivni obstavini. Ekonomitnij diskurs. Vip. 1. P. 11 – 21. [in Ukrainian].*
6. *Lupenko Ju.O., Sabluk P.T., Mesel'-Veseljak V.Ja, Fedorov M.M. (2014). Rezul'tati i problemi reformuvannja sil's'kogo gospodarstva. Ekonomika APK. № 7. P. 26 – 38. [in Ukrainian].*
7. *Pro osobiste seljans'ke gospodarstvo : Zakon Ukraïni vid 15 travnja 2003 r. № 742-IV. Vidomosti Verhovnoi Radi Ukraini. 2003. № 29. P.232. [in Ukrainian].*
8. *Lupenko Ju.O., Malik M.J. (Eds). (2013). Programa rozvitku osobistih seljans'kih gospodarstv v Ukraini na period do 2020 roku (proekt). Kyiv: NNC IAE. 28 s. [in Ukrainian].*
9. *Pro vnesennja zmin do Zakonu Ukraini «Pro fermers'ke gospodarstvo» schodo stimuljuvannja stvorennja ta dijaj'nosti simejnogo fermers'kogo gospodarstva» : Zakon Ukraini vid 31 bereznja 2016 roku № 1067-VIII // [Elektronnij resurs]. – Regim dostupu: zakon.rada.gov.ua. [in Ukrainian].*
10. *Prokopa I., Krisanov D. (2013). Seljans'ki gospodarstva v Ukraini : genezis, sutasni vikliki ta dominantni rozvitku. Ekonomist. № 11. P.6 – 10. [in Ukrainian].*
11. *Naumenka V. Ju. (Ed). (2016). Sil's'ke gospodarstvo Volini – 2015. Statistitnij zbirnik. Golovne upravlinnja statistiki u Volins'kij oblasti. Luc'k, 330 p. [in Ukrainian].*
12. *Naumenka V. Ju. (Ed). (2016). Statistitnij schoritnik Volin' – 2015. Golovne upravlinnja statistiki u Volins'kij oblasti. Luc'k. 478 p. [in Ukrainian].*