

## The market of land today

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**The purpose.** To determine the nodes hindering high-grade mastering of the market of land in Ukraine. **Methods.** Generalization of deterrents of development of land relations. **Results.** For high-grade and effective development of land relations in Ukraine it is necessary to consider all the factors promoting this process. Ignoring one of them leads to distortions in their results or to irregular operations in their holding. It is confirmed with a situation with the market of land in Ukraine. "Release" of that process in one of components of the market (at the level of factory) without its settlement at macro level (at the level of state) caused at once occurrence of various agro-holdings which are interested in subordination of land relations to their interests. Solution of the problem demands creation of such conditions ("game rules") that in land relations were equally interested peasants and agro-holdings which serve farm-production as a whole. The share of incomes of agroindustrial production in starting conditions should be equal, both at the level of peasants, and at the level of agro-holdings. One of the basic conditions of security of this is turning on land in economic cycle, use of refunding factor which would consider cost of agricultural lands and mercantile self-financing that each participant of inner self-supporting activity shared in distribution of end-points. **Conclusions.** From the upper echelons of power (President of Ukraine, Cabinet of Ukraine) completely depends, how land relations in Ukraine will explicate. They should determine main routes and ensure development of respective mechanisms of development of land relations in our state. Systems of pricing, principles of interfarm mercantile calculation and creation of favorable conditions depend on turning on resource of land in economic cycle for development of agrarian business.

**Key words:** *land reform, market of land, factors of influence on land relations, lands making the market, holdings, economic "game rules", mercantile self-financing, economic cycle of land.*

**DOI:** <https://doi.org/10.31073/agrovisnyk201904-12>

Today it is crucial to create land relations that would be equally interesting for both, rural people and agricultural holdings.

The agreed 'rules of the game' will make a contribution to this. Under initial conditions, a fraction of income earned from agricultural production should be equal for both, rural people and the management of agricultural holdings. [1].

Today the land market in Ukraine presents 'special' relations of the use of land resources in agroindustrial production in order to obtain as many products as possible while spending minimum expenses per unit of land size and for environmental protection. In Soviet times, the land market was not a question, but today, the it is on everyone's lips [2].

However, the issue has been topical for almost 25 years since there is no complex approach to its legal and regulatory settlement at the country level [3]. These days the society requires compound actions of solving this issue.

**The purpose of the study** is to identify the sticking points that need to be overcome to introduce the land market in Ukraine.

**Objects and methods of the study.** The materials on land relations in Ukraine before independence and during the period of independence were used as the basis for the study. The laws adopted by the Verkhovna Rada of Ukraine and the decrees approved by the President of Ukraine regulate only internal issues of land relations.

The 'complete' process of denationalization and privatization of agricultural lands in Ukraine, except for the lands owned by agricultural holdings, is still tacitly controlled by the state due to legislative limitations on the rights of its free turnover [4].

**Results of the study.** I raised the issue of introduction of the land market in Ukraine a quarter-century ago. We still possess the results of our work, but the land market has not been introduced yet.

The main reason is a pending 'land issue'. It is possible that these are people that miss the key point who postpone the removal of the moratorium on the economic activity of agricultural lands [5]. It is quite simple: Land is national wealth. [6] Thus, the decision should be made on a national and state level through the approval by the top tiers of power. Today failure to do so makes our national wealth incomplete component of economic relations. As a result, land resources are not considered as a part of resource availability.

The activities of the relevant government services are based on the return on assets indicators that involves available funds in the production industries [3]. The methodology is quite simple: the result obtained from the exploitation of available industry funds is divided into the sum of funds and here we receive the result of their exploitation.

State regulatory bodies should apply this methodology in all areas of production activity: industry, construction, transport, financial activities, trade, agriculture, and so on. As a result - in the numerator - the gained income, in the denominator - the sum of available funds. The total amount of income is the result of funds exploitation. The above shows that agriculture is losing.

To say it broader - the calculation of the return on assets lacks the value of agricultural lands. This is the reason why the agricultural industry does not have adequate attention of the government [7]. The state planning bodies should be responsible for the elimination of this reason.

According to the formula for determining the return on assets effectiveness ( $\frac{\sum Y}{\sum K} = K$ ), the value of land should be considered. The resulted coefficient should become the only indicator of the return on assets effectiveness for all sectors of the national economy for a certain period of economic activity (in Ukraine's conditions it should be clarified each year) [7]. These calculations make land an asset that is crucial for the introduction of the land market.

Thus, if the formula denominator is added 1.4 trillion UAH of the land cost of 2018, the result will reflect the participation of land in reproduction processes, which, in turn, is a defining condition to resolve the land market organization [3, 9, 10, 11].

The second condition of the land market is considering its value in the pricing system and agricultural products prices, in particular, the earning ratio [12]. In such a way it possible to ensure the real price of the received products. Its distribution (realization) is estimated considering the earning ratio (regulator) established by the state. Grants, subsidies, etc. are already included into the earning ratio: if it is profitable, then proceed with production, if not – stop the production [3]. The methodology that applies the earning ratio will create equal initial conditions for all domestic goods producers.

The assets of organized production must include the value of land, thus making it involved in the production and turning it into assets [7]. It is necessary to remember this fact while determining the cost accounting management principles. There are two models: [2] *the first one* is piece production (you are the owner and you are the responsible person); *the second one* is a commercial collective cost accounting (all settlements during a year are considered advance payments, and at the end of the year they are used in the final calculation, together with the payment of the production resources). Thus, each participant of domestic cost accounting activity is able to take part in the final results distribution. The results of the management of the agricultural production cooperative 'Batkivshchyna' of Kotelev district of Poltava region may serve as an example of following of this principle.

Only after the economic procedure of considering the LAND in Ukraine an asset with estimated value, it will become possible to buy and sale land for those who have decided to work on it and, first of all,

individually. Further, the function of the Community - the price controls of land and to whom it is being sold. If there is no 'consumer', the land and all rights to it should be owned by the Community [4].

This reform will become the key factor for the encouragement of farming and contributing to the introduction of the land market in Ukraine.

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