

STATE SUPPORT FOR AGRIBUSINESS DURING THE WAR: CURRENT STATUS AND PROSPECTS FOR LEGAL REGULATION

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Abstract. In the field of agricultural law, the matter of state support for agricultural production has historically been the focus of particular attention. Indeed, the development of the agricultural sector has enabled the country to not only overcome its internal food problems, but also to generate significant financial revenues, thus becoming one of the guarantors of global food security. At the same time, this sector of the economy remains significantly dependent on natural and climatic conditions and other factors determined by the life cycle of farm animals and plants. The full-scale war has significantly complicated agricultural activities: production and processing infrastructure and land reclamation networks have been destroyed; agricultural equipment has been lost; logistics links have been damaged; and a significant portion of agricultural land has been taken out of cultivation due to contamination, mining or occupation. In such conditions, it becomes particularly important to conduct a theoretical and legal analysis of legislation in this area, identify the main trends in its development, and carry out a legal assessment of the institutional framework for state support of the agricultural sector of the economy. The use of such scientific methods as philosophical (dialectical), general scientific (formal-logical, systematic analysis and synthesis) and special legal (comparative legal and formal legal) methods contributed to the solution of the research tasks. The study found that state financial support measures are unsystematic in nature. This is confirmed by the following. On the one hand, the legislation defines additional areas of agricultural activity that take into account the realities/consequences of the war. On the other hand, the amount of such support is being reduced in a number of areas. It should also be noted that changes in the legislation governing relations in this area are driven not only by the needs of agricultural producers, but also by Ukraine's international and European integration commitments. It appears that the practical implementation of environmental and social assessment of borrowers (especially micro and small agribusiness entities) for obtaining preferential lending, in the context of military operations and their difficult economic situation, is unlikely. A thorough investigation into the institutional support provided to the agricultural sector has been undertaken. The article posits the necessity of establishing a payment agency as a prerequisite for Ukraine to acquire the capacity to engage in processes pertaining to the provision of assistance for the development of rural areas for countries that are candidates for EU membership. The text goes on to argue that the dissolution of the Ministry of Agrarian Policy and Food of Ukraine is an unnecessary measure. It is argued that in order to develop a unified approach to ensuring the proper functioning of the agricultural sector in wartime, a regulatory act (at the level of Ukrainian law) should be developed, which would define the main directions of state agricultural policy. The conclusions drawn may serve as a basis for further scientific research into legal relations concerning state support for the agricultural sector of Ukraine's economy.

Keywords: state support, agricultural production, agricultural sector of the economy, agribusiness entities, food security, state agricultural policy, lending, environmental and social standards, agricultural producers, budget programme, paying agency.

JEL Classification: K30, L38, O13, Q13, Q18

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1. Introduction

The agricultural sector has traditionally played an important role in Ukraine's economy. Before the full-scale war began, agricultural production accounted for 10% of the country's GDP, and together with agricultural processing, 16% (The impact of war on the state of the agricultural sector in Ukraine). In addition, Ukraine occupied a leading position in international trade in wheat, barley, rapeseed, sunflower oil, etc. Trade in foodstuffs brought in about 22 billion USD annually and accounted for 41% of total exports (The impact of war on the state of the agricultural sector in Ukraine). These indicators allowed Ukraine to be considered one of the key guarantors of food security on a global scale (The Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Strategy for the Development of Agriculture and Rural Areas in Ukraine for the Period until 2030 and Approval of the Operational Plan of Measures for its Implementation in 2025-2027"). State support for agribusiness entities directly contributed to the achievement of these results, although scientific literature has repeatedly drawn attention to the imperfection of its legal regulation (Gafurova, Syvolotska, 2017).

The full-scale war has significantly complicated agricultural activities. The direct losses to the agricultural sector alone amounted to 10.3 billion USD. These include, in particular: losses of agricultural machinery; loss of elevators and other grain storage facilities; damage and destruction of land reclamation systems; losses in livestock and crop production (Andrienko et al., 2025). It should be noted that these figures are approximate, as the tools and methodologies required to assess the actual losses and damage caused to Ukraine by the war are still in development (Golovko, 2023). In such circumstances, it is particularly important to study the issues of legal support for state financial assistance to the agricultural sector of the economy, as well as the basic principles of state agricultural policy in this area.

The main *objectives* of the work are to conduct a theoretical and legal analysis of Ukrainian legislation in the field of state support for the agricultural sector of the country's economy in wartime; to identify the main trends in its development and to carry out a legal assessment of the institutional framework for such support.

2. Analysis of Recent Researches and Publications

The issue of the effectiveness of state support for agribusiness and its proper legal regulation and enforcement is not new to Ukraine and has long been the subject of scientific research. However, the unprecedented challenges faced by Ukraine with

the start of Russia's full-scale invasion have largely nullified the results of scientific achievements made during "peacetime" and necessitated the search for and scientific justification of new directions, measures and methods of state support for the agricultural sector, adapted to the realities of war.

At the beginning of martial law, researchers focused primarily on new agricultural legislation and its characteristics during this particular period. It is worth noting the work of P.F. Kulynych here, who identified the main areas of agricultural policy during martial law, including state support measures. These included: lending to agricultural producers under state guarantees, support (both in terms of creation and operation) for micro and small agricultural producers as those who showed the greatest adaptability to the new conditions. The author's generalisations regarding the defining features of legal regulation of agribusiness at the beginning of martial law are also valuable: prompt regulation of agrarian relations by subordinate legislation, preservation of the market principles of agribusiness and prevention of their replacement by administrative influence, recognition of Ukraine as one of the guarantors of food security in the world (Kulynych, 2022). An assessment of state financial support instruments for the agricultural sector at the beginning of martial law was carried out by L.O. Vdovenko. The author demonstrated the need to change the vectors of development of the agricultural sector by supporting all agricultural enterprises without exception on the basis of fair competition in access to sources of financing. Identified positive features in the area of state support for the agricultural sector in the first year of full-scale war: simplification of conditions for farmers to obtain loans; opportunities to obtain state subsidies and loans; establishment of a mechanism for assistance from international donors; simplification of access to state support instruments through the online services of the State Agricultural Register (Vdovenko, 2022). Subsequently, based on the experience of agriculture functioning in wartime conditions, a series of scientific studies were conducted on the effectiveness of individual state support measures. In particular, E.O. Platonova, as a result of studying the state and problems of state credit support for agriculture, proved that "traditional" measures such as credit subsidies and repayable financial assistance to farms are not capable of stabilising the situation in the context of military operations on the territory of Ukraine (Platonova, 2024). In her work, T.V. Kurman explores the issue of grant support for agribusiness as a form of financial support. The author proves the effectiveness of this type of state support and draws attention to the need to bring domestic agricultural policy closer to the new Common Agricultural Policy (CAP) in terms of grant support for agricultural producers and priorities (Kurman, 2023). The findings

of O. Bokiy and O. Kovalenko on the instruments of state regulation of the development of Ukraine's agro-industrial complex under martial law are valuable from the point of view of the subject of this work. As a result of summarising existing programmes for the development and support of the Ukrainian agricultural sector, the authors identified the problem of selectivity in grant support involving foreign capital. They demonstrated the need to establish interaction and interconnection between policy documents for the development of the agricultural sector at all levels (Bokiy, Kovalenko, 2024). A study of more recent scientific works shows that, as society became aware of the new realities, scientists began to focus more and more on the need for systematic improvement of agricultural legislation (including state support for agribusiness) (Stativka, Kurman, 2023). It should be emphasised that systematic, balanced state support for Ukrainian agribusiness is a matter of national security (Kharitonova, Grigorieva, 2023). The feasibility of developing a new concept of state support for agribusiness entities has been proven, with the aim of "restarting" the economic potential of rural areas not only during wartime but also in the post-war period (Bakai, Honcharenko, 2023). In their previous studies, the authors of this paper also highlighted the shortcomings of the legal framework for state support of the agricultural sector. These included: the fragmented nature of state support, the lack of a comprehensive approach, and the regulation of sectoral specifics at the sub-legislative level (Yermolenko, Gafurova, Novak, 2023). Attention was also drawn to the issue of taxation of farmers/agricultural producers as an indirect means of state support (Kovalchuk, Melnyk, Novak, Pakhomova, 2021) and the direct negative impact of the introduction of a minimum tax liability (Hafurova, Yermolenko, Novak, 2024). Another area of scientific research that cannot be overlooked is the study and comparison of the methodological foundations of state support for the agricultural sector in the European Union and Ukraine, which is particularly important given the European integration processes in Ukraine. In researching this issue, H.A. Grigorieva highlights the following features of EU agricultural protection legislation: the transition from mandatory measures to mandatory results; preservation of the two-pillar methodology of the CAP (common organisation of agricultural markets and direct payments to farmers; regulation of rural development); strengthening of environmental priorities; preservation of social benchmarks. The author points out the expediency of using these main vectors to develop a concept for reforming Ukrainian legislation on state support for the agricultural sector (Hryhorieva, 2024). In addition, the author has conducted a thorough monographic

study devoted to the analysis of legislative support for Ukrainian agriculture during the war and post-war recovery (Grigorieva, 2025). Her particular focus is on identifying areas for improvement in the legislation that protects agriculture during periods of crisis. In particular, H. Grygorieva traces the development of the legal institution of agricultural receipts, focusing on the legal problems of the functioning of the agricultural land market in wartime. Acknowledging the aforementioned works and other contributions on the legal implications of state support for the agricultural sector under martial law, it is imperative to persist in this research trajectory. As experience in agribusiness under wartime conditions accumulates, new problematic aspects emerge, as well as new needs and understanding of the most promising vectors of movement.

3. Methodology

In order to achieve scientifically sound research results, the article uses philosophical (dialectical), general scientific (formal-logical, systematic analysis and synthesis) and special legal (comparative legal and formal legal) methods of scientific cognition. The dialectical method served as the general methodological basis for this study, allowing to examine the general trends in the development of Ukrainian legislation in the field of state support for the agricultural sector of the economy in wartime conditions. The formal-logical method allowed to formulate conclusions and reveal the content of state financial support measures for agribusiness entities. The systematic analysis method was used in the process of studying scientific doctrine, as well as identifying gaps in regulatory and legal acts in this area. The use of the synthesis method made it possible to substantiate the conclusion about the inexpediency of liquidating the Ministry of Agrarian Policy and Food of Ukraine. Using a comparative legal method, a legal assessment was made of the need to establish a paying agency that complies with European Union legislation. The formal legal method was used to clarify the content of legal norms and justify the proposal on the need to develop a single regulatory act that would define the main directions of state agricultural policy in this area.

4. Results and Discussions

4.1 The State of Legal Support for Financial State Support to the Agricultural Sector

Currently, the basic regulatory act governing key issues of state support for the agricultural sector remains the Law of Ukraine "On State Support for Agriculture in Ukraine" of 24.06.2004 No. 1877-IV

(The Law of Ukraine "On State Support for Agriculture in Ukraine"). Despite repeated proposals by experts to review the types of state support (Yermolenko, Gafurova, Novak, 2023; Bakai, Honcharenko, 2023), no changes have been made in this area during the war, and state support for agriculture is currently limited (according to this regulatory act) to financial support. At the same time, changes have been made at the level of subordinate legislation. A more thorough examination of these phenomena is warranted.

The first thing to note is the changes in the Procedure for providing financial state support to business entities, approved by Resolution of the Cabinet of Ministers of Ukraine No. 28 dated January 24, 2020 (hereinafter – the Procedure) (The Resolution of the Cabinet of Ministers of Ukraine "On Provision of Financial State Support"). At the time, Resolution of the Cabinet of Ministers of Ukraine No. 229 dated 14 March 2023 "On Amendments to Certain Resolutions of the Cabinet of Ministers of Ukraine Regarding the Provision of Financial State Support to Business Entities" (The Resolution of the Cabinet of Ministers of Ukraine "On Amendments to Certain Resolutions of the Cabinet of Ministers of Ukraine Regarding the Provision of Financial State Support to Business Entities") defined support for business entities, specifically agricultural producers, as a priority area of state credit policy. The authors of this work believe that this was a correct and timely step, given the importance of the agricultural sector to the country. Currently, paragraph 9 of the Procedure allows loans to be granted for the financing of business entities that produce agricultural products for agricultural activities. It is evident that the scope of entities entitled to receive state support is expanding. The term "agricultural producers" encompasses not only agricultural commodity producers but also "individuals (including households, individuals engaged in activities related to personal farming, and self-employed persons in agriculture) who are engaged in agricultural activities" (Article 1 of the Law of Ukraine "On Agricultural Census"). The current version of the Procedure expands the list of activities eligible for state support. Previously, in accordance with subparagraph 2 of paragraph 9 of the Procedure, support was provided to business entities engaged in the production, processing and sale of agricultural products under economic activities 10.51, 10.61, 10.71 in accordance with the Classification of Economic Activities (i.e., "milk processing, butter and cheese production"; "production of flour and cereal products"; "production of bread and bakery products; production of flour confectionery, cakes and short-term storage pastries"). **In contrast, the updated provision of the Procedure** now stipulates the financing of business entities engaged in the following sectors:

a) manufacturing industry (primary code under the Classification of Types of Economic Activity – CTEA) – covering all codes of Section C; b) animal husbandry (primary CTEA code) – covering all classes of Group 01.4 of Section A of the National Classifier of Ukraine; c) business entities that are agricultural producers – for the construction of vegetable and potato storage facilities. The Procedure also extends the maximum loan period for credits eligible for state support under the area of "financing business entities that are agricultural producers for conducting agricultural activities" until March 31, 2026 (previously, this period was set until March 31, 2024). In this article, the authors propose a novel approach to determining the maximum loan term, advocating for an alternative method of setting this limit. Rather than stipulating a definitive date, they propose the establishment of a specified time period following the termination or cessation of martial law. This would obviate the necessity for subsequent amendments to the Procedure, due to the uncertainty surrounding the cessation of hostilities. Among the novelties of the current version of the Procedure is the introduction of **additional conditions** for obtaining state support by a business entity. These include: registration in the State Agrarian Register – for agricultural producers; and the implementation and compliance with the Environmental and Social Standards of the World Bank – for business entities engaged in agricultural activities (paragraph 17 of the Procedure).

Regarding the first condition, there is already an established system supported by electronic services (the official website of the State Agrarian Register (<https://www.dar.gov.ua/>); as well as a developed legal framework – by the Resolution of the Cabinet of Ministers of Ukraine No. 549 of May 13, 2025, the Procedure for Maintaining and Administering the Information and Communication System "State Agrarian Register" and the Procedure for Maintaining and Administering the State Register of Agricultural Producers were approved (The Resolution of the Cabinet of Ministers of Ukraine "On Certain Issues of the Functioning of the Information and Communication System of the State Agrarian Register"); developed step-by-step instructions for users (The State Agricultural Register. Agricultural Producer's Guide. 2023).

The condition regarding the environmental and social assessment of borrowers' activities for obtaining preferential loans, financial leasing and factoring, which came into force on December 1, 2024, raises significantly more questions regarding its practical implementation, especially for micro and small agribusinesses, which have significantly fewer professional human resources, information capabilities, etc. compared to large agricultural enterprises.

Conducting environmental and social assessments of clients by banks is a requirement of the World Bank, which is currently the main investor in financing the state support programme in Ukraine.

Currently, the following World Bank Environmental and Social Standards (ESS) are in effect (see Fig. 1).

Taking these standards into account, experts identify the following potential environmental and/or social risks for agricultural producers: the creation of working and/or living conditions for employees that do not meet the requirements of Good International Industry Practice; the use of child labour, for instance, involving children in family farming enterprises; non-compliance with occupational safety requirements, such as through unsafe working methods, improper use of equipment, or poor management of facilities; risks related to explosive remnants of war or indiscriminate and targeted air strikes; contamination of groundwater due to improper use of fertilizers or agrochemicals; environmental impacts caused by clearing vegetation on land plots classified as agricultural but not cultivated for a certain period; environmental impacts arising from the generation of waste, including hazardous waste, resulting from agricultural activities; and the effects on the environment caused by agricultural runoff (Loans for farmers under the "Affordable Loans 5-7-9%" programme: what will change from December 1). Currently, the Framework Document on Environmental and Social Management has been approved by Order of the Ministry of Agrarian Policy No. 1673 dated May 30, 2024 (The Order of the Ministry of Agrarian Policy and Food of Ukraine "On Approval of the Framework Document on Environmental and Social Management"), and by the Decision of the Board of the Entrepreneurship

Development Fund dated January 23, 2024 the Environmental and Social Management System (ESMS). The authors of the article view the work done positively and support the importance of agricultural producers complying with environmental and social standards. At the same time, according to the authors of the article, it would be worthwhile to provide direct consulting and information support to farmers (for example, by bank specialists or specialists from the Entrepreneurship Development Fund) in terms of documentary confirmation of compliance with these requirements.

Changes have also been made to the Procedure for providing state financial support to business entities under financial leasing agreements (The Resolution of the Cabinet of Ministers of Ukraine "On Provision of Financial State Support"). The key issue is to expand the circle of entities eligible for such state support. Currently, their list is similar to that contained in the Procedure (provided above in this paper).

According to data from the Entrepreneurship Development Fund on the results of the State Programme "Affordable Loans 5-7-9%" as of August 11, 2025, agriculture dominates both in terms of the structure of the loan portfolio and its volume. Figures 2 and 3 show the percentage of industries that have taken advantage of this type of state support.

Regarding the volumes of the loan portfolio, for agriculture this indicator amounted to 188,882 million UAH; for trade – 93,283 million UAH; for industry – 90,181 million UAH; for the service sector – 31,586 million UAH; for construction – 8,944 million UAH; and for other sectors – 5,082 million UAH. In terms of the number of concluded loan agreements, the figures are as follows:



Figure 1. World Bank Environmental and Social Standards

Source: <https://projects.worldbank.org/en/projects-operations/environmental-and-social-framework/brief/environmental-and-social-standards>

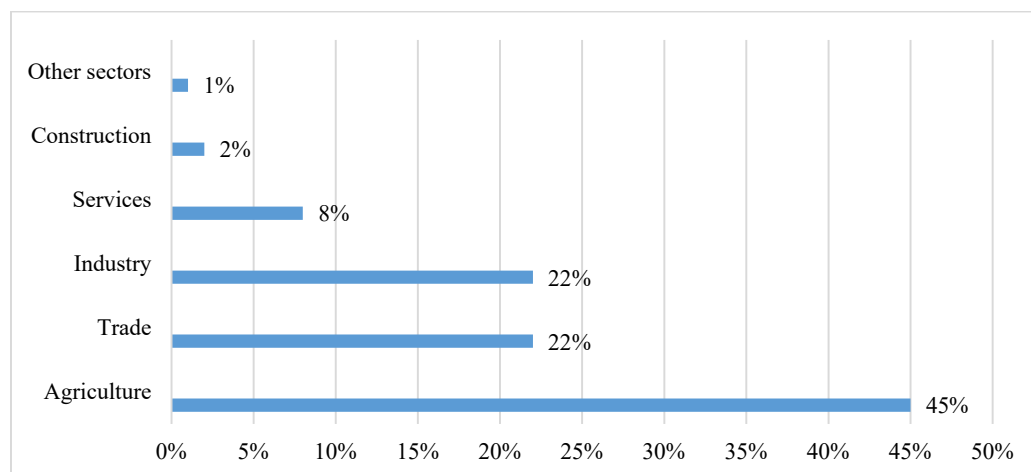


Figure 2. Volume and structure of the loan portfolio under the State Programme "Affordable Loans 5-7-9%" as of August 11, 2025, %

Source: <https://bdf.gov.ua/publiczna-informatsiia/informatsiia-pro-rezultaty-derzhavnoi-prohramy-dostupni-kredyty-5-7-9>

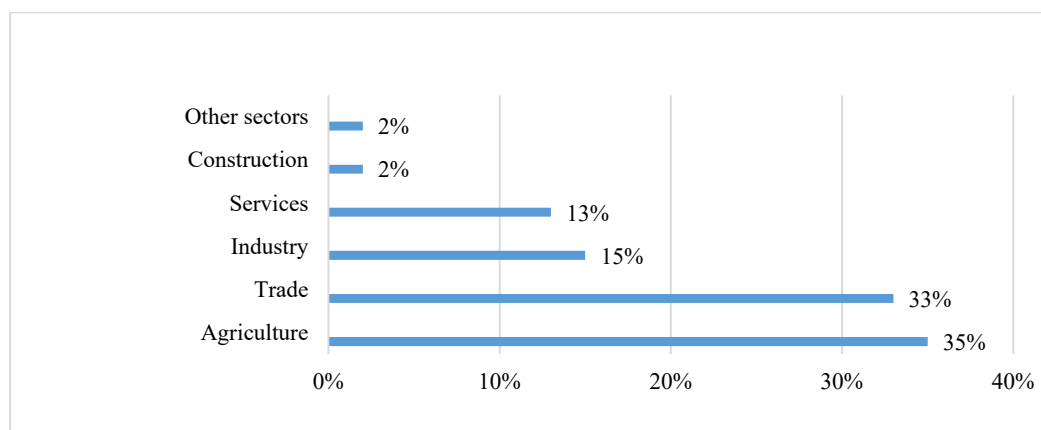


Figure 3. Amount and structure of the loan portfolio under the State Programme "Affordable Loans 5-7-9%" as of August 11, 2025, %

Source: <https://bdf.gov.ua/publiczna-informatsiia/informatsiia-pro-rezultaty-derzhavnoi-prohramy-dostupni-kredyty-5-7-9>

agriculture – 42,763 agreements; trade – 39,670; industry – 18,207; service sector – 15,875; construction – 2,860; and other sectors – 2,245 agreements.

The above allows the authors of the article to note the popularity of financial state support for agricultural businesses through cheaper loans and, in general, to give a positive assessment of legislative changes in this area.

4.2 Legal Framework for Budget Support to the Agricultural Sector

Regarding the legal regulation of state support through the provision of budget funds, the following applies. In the current year 2025, the Law of Ukraine "On the State Budget of Ukraine for 2025" (The Law of Ukraine "On State Budget of Ukraine for 2025") provided for

expenditures on a number of budget programmes that agricultural producers can take advantage of. The Ministry of Agrarian Policy and Food of Ukraine and the Ministry of Economy of Ukraine were designated as the administrators of funds (it should be noted that the issue of changes in the structure of state regulatory bodies of the relations under study will be examined below in this paper). The amount of state funding in terms of budget programmes is presented in Tables 1 and 2.

According to analysts (State support for farmers in 2025), the following dynamics of state budget expenditures are predicted to support the agricultural sector, as outlined by both the Ministry of Agrarian Policy (see Table 3) and the Ministry of Economy (see Table 4).

Table 1

Funding volumes for budget programmes supporting the agricultural sector in 2025
(Ministry of Agrarian Policy and Food of Ukraine)

Name of budget programme	Total funds allocated, million UAH	Areas of application
CPCEL 2801580 "Financial support for agricultural producers"	1205,0	– Provision of additional payments to family farms for a single contribution to compulsory state social insurance; – state support for agricultural producers who use reclaimed land and water user organisations; – development of livestock farming and the agro-processing industry.
CPCEL 2801500 "Support for farms and other agricultural producers"	4796,0	- Budget subsidy per unit of cultivated agricultural land (1 hectare) for agricultural activities; - special budget subsidy for keeping cattle (cows) of all productivity types; - special budget subsidy for keeping breeding goats and/or sheep; - separate budget subsidy per unit of cultivated agricultural land (1 hectare) for agricultural activities in areas where hostilities have ended and in areas where temporary occupation has ended.
CPCEL 2801460 "Providing loans to farms"	80,0	- Granting interest-free loans exclusively to farms.

Source: compiled by the authors of the article

Table 2

Funding volumes for budget programmes available to agricultural producers in 2025
(Ministry of Economy of Ukraine)

Name of budget programme	Total funds allocated, million UAH	Areas of application
CPCEL 1201350 "Providing grants for business creation or development"	1370	- Creation or development of greenhouse farming, horticulture, berry growing, viticulture; - startup/development of microbusiness, including the veteran component "Grant for Veterans".
CPCEL 1201450 "Ensuring the functioning of the entrepreneurship development fund"	18000	- Compensation of interest rates on bank loans, including to agricultural producers, as part of the implementation of the "Affordable Loans 5-7-9" programme.
CPCEL 1201310 "Partial compensation for the cost of domestically produced agricultural machinery and equipment"	500	- Partial compensation for the cost of domestically produced agricultural machinery and equipment.
CPCEL 1201420 "Compensation for expenses incurred in humanitarian demining of agricultural land"	2000	- Compensation for expenses for humanitarian demining of agricultural land with the aim of restoring agricultural production on demined land plots.
CPCEL 1201340 "State incentives for the creation of industrial parks"	500	- Ensuring the construction of the necessary infrastructure for industrial parks.

Source: compiled by the authors of the article

It should be noted that at the beginning of 2025, the state budget did not provide for funds under budget programmes CPCEL (Coding of the Program Classification of Expenditures and Lending) 1201310 "Partial compensation for the cost of domestically produced agricultural machinery and equipment", CPCEL 1201340 "State stimulation of the creation of industrial parks" and CPCEL 1201420 "Compensation of expenses for humanitarian demining of agricultural land". However, by Resolution of the Cabinet of Ministers of Ukraine No. 120-p of February 14, 2025, "Certain Issues of Allocating Funds from the Special Fund of the State Budget in 2025"

(The Resolution of the Cabinet of Ministers of Ukraine "Certain Issues of Allocating Funds from the Special Fund of the State Budget in 2025"), these programmes did receive funding, which the authors of the article regard as confirmation of the state's understanding of the need to support the agricultural sector during the war.

An argument in favour of the latter thesis is the expansion of areas of agricultural activity for which state support is provided in relation to the realities/consequences of the war. This refers to the provision of funds provided by the Ministry of Agrarian Policy in the state budget under the budget programme

Table 3

Dynamics of state budget expenditures to support agricultural producers, as envisaged by the Ministry of Agrarian Policy in 2023-2025 (based on expenditures approved at the beginning of the fiscal year, in million UAH)

Name of budget programme	2023	2024	2025
CPCEL 2801580 "Financial support for agricultural producers"	201,0	205,0	1205,0
CPCEL 2801500 "Support for farms and other agricultural producers"	0,0		
(programme start date: 2024)	796,0	4726,0	
CPCEL 2801460 "Providing loans to farms"	80,0	80,0	80,0
CPCEL 2801380 "Formation of the authorised capital of the Fund for Partial Guarantees of Loans in Agriculture"	360,0	Programme discontinued	Programme discontinued

Source: https://www.apd-ukraine.de/fileadmin/user_upload/1_Info_Brief_SP_ua.pdf

Table 4

Dynamics of state budget expenditures to support agricultural producers, as projected by the Ministry of Economy for 2023-2025 (based on expenditures approved at the beginning of the fiscal year, in million UAH)

Name of budget programme	2023	2024	2025
CPCEL 1201350 "Provision of grants for business creation or development"	1370,0	1370,0	1370,0
CPCEL 1201450 "Ensuring the functioning of the entrepreneurship development fund"	16000,0	18000,0	18000,0
CPCEL 1201310 "Partial compensation for the cost of domestically produced agricultural machinery and equipment"	This programme was not planned	1000,0	500,0
CPCEL 1201340 "State incentives for the creation of industrial parks"	This programme was not planned	1000,0	500,0
CPCEL 1201420 "Compensation for expenses incurred in the humanitarian demining of agricultural land"	This programme was not planned	3000,0	2000,0

Source: https://www.apd-ukraine.de/fileadmin/user_upload/1_Info_Brief_SP_ua.pdf

"Financial Support for Agricultural Producers", which are directed towards providing financial support to producers engaged in agricultural activities involving the breeding, keeping and farming of freshwater fish in de-occupied and war-affected territories. The procedure for using such funds was approved by Resolution of the Cabinet of Ministers of Ukraine No. 1409 dated December 10, 2024 (The Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Procedure for Using Funds Provided in the State Budget to Provide Financial Support to Producers Engaged in Agricultural Activities Involving the Breeding, Keeping and Farming of Freshwater Fish in De-occupied and War-Affected Territories").

Compared to 2022, the approaches to the amounts and restrictions on receiving budget funds within the framework of budget subsidies and budget grants have been changed. The regulatory basis for this is the Procedure for the use of funds provided for in the state budget to support farms and other agricultural producers, approved by Resolution of the Cabinet of Ministers of Ukraine No. 918 of August 16, 2022 (The Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Procedure for Using Funds Provided in the State Budget to Support Farms and Other Agricultural Producers"). The current version of

this document **increases the amount of the budget subsidy per unit of cultivated agricultural land (1 hectare) for conducting agricultural activities** – from UAH 3,100 per hectare to UAH 4,000 per hectare. The maximum amount of such a subsidy per recipient has been abolished. In addition, the amount of the special budget grant for maintaining cattle (cows) of all productivity categories has been increased – from UAH 5,300 to UAH 7,000 per cow owned by the recipient, identified and registered in accordance with the legislation as of the date of application submission. The maximum amount of this grant per recipient has also been abolished. Starting in March 2024, a special budget subsidy is planned for the maintenance of breeding goats and/or sheep, as well as a separate budget subsidy per unit of cultivated agricultural land (1 hectare) for agricultural activities in areas where hostilities have ended and in territories where temporary occupation has ended. However, due to the excess number of applications for state aid in the above areas in 2025, only those entities that did not receive the relevant aid in 2024 will be able to benefit from it (paragraph 5 of the Procedure for the use of funds provided for in the state budget to support farms and other agricultural producers).

4.3 Institutional Support for State Support to the Agricultural Sector

Notwithstanding the sustained rate of state assistance for the agricultural sector under the challenging conditions of martial law, there is concurrence with the viewpoint articulated by scientists concerning the necessity for consistent reform of legislation on state support for agriculture, encompassing the conceptual, regulatory and technical phases (Hryhorieva, 2024). The key policy document in the field of improving state policy in agriculture and rural areas in general, and state support for the agricultural sector in particular, is the Strategy for the Development of Agriculture and Rural Areas in Ukraine for the period up to 2030, approved by the Resolution of the Cabinet of Ministers of Ukraine dated November 15, 2024 No. 1163-p (The Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Strategy for the Development of Agriculture and Rural Areas in Ukraine for the Period until 2030 and Approval of the Operational Plan of Measures for its Implementation in 2025-2027") (hereinafter referred to as the Strategy). In consideration of the subject matter of this paper, the focus shall be on the provisions of the Strategy with regard to institutional measures that ensure the effectiveness and transparency of state support for agricultural producers. One of the objectives of the Strategy is to establish a new body in Ukraine. This body will be **a payment agency, and its function will be to provide timely support to agricultural producers**. This correlates with European integration requirements, namely EU Regulation No. 1306/2013 of 2013 (Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations) and EU Regulation No. 2021/2116 of 2021 (Regulation (EU) 2021/2116 of the European Parliament and of the Council of 2 December 2021 on the financing, management and monitoring of the common agricultural policy and repealing). The establishment of paying agencies is a prerequisite for obtaining the right to participate in the processes provided for by EU procedures for granting aid for the development of rural areas to countries applying for EU membership. According to the Operational Plan of Measures for the Implementation in 2025-2027 of the Strategy for the Development of Agriculture and Rural Areas in Ukraine for the Period until 2030, approved by the Resolution of the Cabinet of Ministers of Ukraine dated 15 November 2024 No. 1163-p (The Resolution of the Cabinet of Ministers of Ukraine " On Approval of the Strategy for the Development of Agriculture and Rural Areas in Ukraine for the Period until 2030 and Approval of the Operational Plan of Measures for its Implementation

in 2025-2027) (hereinafter referred to as the Operational Plan), the establishment of a paying agency is planned for the Q4 of 2027. However, on June 17, 2025, the Verkhovna Rada of Ukraine adopted a draft law amending certain Ukrainian laws regarding the organisational principles of support in the agricultural sector (The Draft Law "On Amendments to Certain Laws of Ukraine Regarding the Organisational Principles of Support in the Agricultural Sector"). This draft law stipulates the establishment of a **Paying Agency**, defined as an independent institution entrusted with the distribution, administration and monitoring of financial assistance in the agricultural sector. It should be noted that scientists pointed out that the best way to create a paying agency is to prepare an existing institution to undergo the relevant accreditation by the European Commission and obtain the status of a paying agency. The most likely candidate for this was the Ukrainian State Fund for Support of Farming Enterprises, which is a state budgetary institution and performs functions related to the implementation of state policy on supporting the establishment and development of farming enterprises (Hryhorieva, 2024). This proposal was taken into account in the Strategy (paragraph 3 of the Operational Plan). In the above-mentioned Draft Law, the paying agency is positioned as a budgetary institution belonging to the sphere of management of the central executive body that ensures the formation and implementation of state agricultural policy and rural development policy, and performs the functions defined by this Law" (The Draft Law "On Amendments to Certain Laws of Ukraine Regarding the Organisational Principles of Support in the Agricultural Sector"). Analysis of the information space shows that there are plans to transform the Ukrainian State Fund for Support of Farming Enterprises into a Paying Agency (Vitaliy Koval: Ukraine is establishing a Paying Agency to support the agricultural sector in accordance with EU standards). Experts are critical of the timeliness of such decisions. In particular, H. A. Hryhorieva points out that there is an imbalance in Ukraine between European integration reforms and domestic agricultural protection legislation. According to the researcher, this imbalance manifests itself in the active, ahead-of-schedule development of the technical and legal component (which includes the creation of institutional and functional structures) and in regulatory passivity with regard to the substantive and formal parts of the agricultural protection model (Hryhorieva, 2024). According to the authors of the article, firstly, the situation in this area has improved significantly with the adoption of the Strategy; secondly, Ukraine has continued to maintain the level of state support for the agricultural sector in recent years; and thirdly, significant changes and long-term prospects depend on the timing and conditions of the end of

the Russian-Ukrainian war. The launch of the process of forming institutions that will bring state support for agriculture in Ukraine to a new level (including transparency in its provision and use) does not pose any negative risks.

Instead, the focus is directed towards the risks emanating from the reform of executive bodies. Specifically, on July 21, 2025, the Ministry of Agrarian Policy was dissolved in Ukraine, with its responsibilities being transferred to the recently established Ministry of Economy, Environment and Agriculture of Ukraine (The Resolution of the Cabinet of Ministers of Ukraine "Certain Issues of the Ministry of Economy, Environment and Agriculture"). However, a similar experience already took place in 2019: the Ministry of Agrarian Policy was merged with the Ministry of Economic Development, Trade and Agriculture of Ukraine as part of the government reorganisation. However, in December 2020, the Ministry of Agrarian Policy resumed its activities as a separate body. Nevertheless, the National Economic Strategy for the period until 2030, approved by Resolution of the Cabinet of Ministers of Ukraine No. 179 dated March 3, 2021 (The Resolution of the Cabinet of Ministers of Ukraine "On approval of the National Economic Strategy for the period until 2030"), criticised this ambiguous decision and drew attention to the need to ensure effective state policy as an important prerequisite for the development of the agro-industrial sector. Moreover, the validity of the aforementioned changes has been demonstrated to be erroneous in practical applications. The present position of the authors of the article is that there is a necessity for a specialised ministry that would be solely responsible for agriculture, as a sector of the Ukrainian economy that is of critical importance (The Ukrainian Grain Association opposes the liquidation of the Ministry of Agrarian Policy and Food of Ukraine).

5. Conclusions

Our theoretical and legal analysis has allowed the following trends in the development of wartime legislation supporting the agricultural sector of the

country's economy to be identified. Firstly, such support measures are unsystematic in nature. On the one hand, areas of agricultural activity were identified that take into account the realities/consequences of the war (budget programme CPCEL 2801580 "Financial support for agricultural producers"); some state programmes received further funding (for example: CPCEL 1201310 "Partial compensation for the cost of domestically produced agricultural machinery and equipment" and CPCEL 1201420 "Compensation of expenses for humanitarian demining of agricultural land"). On the other hand, **only those entities that did not receive the relevant assistance in 2024** will be able to use the funds allocated in 2025 under the CPCEL 2801500 budget programme "Support for farms and other agricultural producers". Secondly, it should be noted that changes in legislation regulating relations in this area are driven not only by the needs of agricultural producers, but also by Ukraine's international and European integration commitments. In the context of military operations and the challenging economic circumstances confronting agribusiness entities, it is recommended that their implementation be suspended or that alternative sources of funding be established. In particular, this applies to requirements for agricultural producers to comply with environmental and social standards, as stipulated by Resolution No. 28 of the Cabinet of Ministers of Ukraine dated January 24, 2020 (The Resolution of the Cabinet of Ministers of Ukraine "On Provision of Financial State Support"). Thirdly, changes in the structure of central executive bodies with the aim of liquidating the Ministry of Agrarian Policy and Food of Ukraine may have negative consequences. In order to develop a unified approach to ensuring the proper functioning of the agricultural sector in wartime, it is necessary to develop a regulatory act (at the level of a Law of Ukraine) that defines the main directions of state agricultural policy in this area.

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