MACROECONOMIC VISION OF THE ESSENCE OF FINANCIAL RESOURCES OF ENTERPRISES IN AGRICULTURE

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Abstract. The purpose of the work is to study the essence of financial resources of enterprises, their current state in the economy of Ukraine, the definition of priority financial instruments to provide financial resources to the agricultural sector. Methodology. Theoretical and methodological basis of research are general and special methods of scientific knowledge: generalization, analogy, analysis and synthesis, induction and deduction (to clarify the conceptual framework, theoretical generalizations of research results, conclusions and proposals); economic-statistical and tabular methods are used. Results. It is established that the economic activity of the agrarian sector largely depends on the volume and types of financial resources. The development of the industry and the state is impossible without a sufficient level of financial resources, their focus on the priority areas of the national economy and effective use. Financial resources are an important factor in the progressive development of any economic system and economic entities of the agricultural sector. It was found that the volume of financial resources in the domestic economy remains low due to the imperfect legislative framework, underdeveloped financial and credit system, strong tax pressure, inefficient use of depreciation deductions, low level of transformation of population's savings. The analytical assessment of the types of financial security showed that the attraction of soft loans and various types of financial resources by economic entities of the agro-industrial complex will improve financial security. Prospective financial resources of enterprises in the field of agriculture allow access to competitive positions. Practical consequences. According to the results of the study, priority areas for improving the financial resources of economic entities, which will contribute to financial security, through a balanced and sound public policy to support the economic activity of agricultural enterprises and the implementation of the proposed recommendations for businesses and authorities, were identified.

Key words: financial provision, financial resources, budget financing, competitiveness, agricultural enterprises, crediting, strategic directions of financial provision.

JEL Classification: P34, G30, G32, Q14

1. Introduction

Financial support of agricultural enterprises is carried out in accordance with current economic laws, which is the basis of social reproduction in the country. However, these laws have certain specifics in the sphere of the national economy in which they operate. Financial support is an important element of the financial management system, the purpose of which is to transform financial resources into capital in monetary form by attracting money and their use for certain purposes. Financing is the basis of financial provision, and the elements of the financial mechanism act as a regulator of functioning.

With regard to the agricultural sector, it is important to take into account the full range of features inherent in agricultural production, especially those that are not subject to regulatory influences from both agricultural enterprises and the state. The identification of all the features of agricultural production, their understanding and consideration is a prerequisite for the reproduction of products by agricultural enterprises. The content of financial support of agrarian sector is a set of principles, tools of use, general and specific methods, algorithms of formation, distribution, redistribution and use of financial resources acting between the subjects of agrarian business.

The basis for the organization of financial support of agricultural enterprises is a well-defined regulatory framework, justification of the volumes and sources of financial, credit and investment sources. Financial support of reproductive processes in agricultural enterprises becomes possible if financial resources are available and used.
The term "resources" comes from the French resource "help" and the Latin resurgere "to straighten, raise up" a supply, a source, a means, an opportunity for realization. In modern conditions the financial resources of agricultural enterprises are treated as an independent object that requires effective management, and the financial management system is characterized as a subsystem of financial management, including both general elements and specific, closely interrelated and interacting with each other and comprehensively affecting the process of formation, distribution, assessment and use of financial resources of the enterprise with the use of certain methods, techniques, management tools, taking into account the key and special principles in the implementation of the chosen financial strategy. Today the financial resources of agricultural enterprises are filled with new content and require further implementation.

2. Literature review

The works of many domestic scientists are devoted to the study of the essence of financial resources of enterprises, including problems in the field of agriculture (V. Aleksiyuchuk, O. Gudz, L. Gutsalenko, N. Davydenko, I. Demyanenko, M. Demyanenko, A. Dibrova, G. Zabolotny, O. Yermakov, G. Kaletnik, C. Kvasha, L. Khudoliy).

Scholars' views on the nature of financial resources can be traced back to medical research. According to a prominent Ukrainian scientist, G.G. Kireitsev (2002), the economic category "resources" at the level of an economic entity has a number of features; in particular, the need for resources is associated with the process of production and creation of consumer value; the structure of resources is dynamic and depends on the development of the enterprise, the stage of its operation, industry and sphere of the economy; the use of any kind of resources involves their cost reproduction (resources from the material form go to the cost or financial). Financial Encyclopedia provides the following definition – "financial resources" (English financial resources, from the French Resources – funds, stocks) – the totality of funds, money, resulting from the distribution and redistribution of the total public product and national income and are at the disposal of the state, local authorities, enterprises, organizations of various forms of ownership. Financial resources of enterprises are funds available to enterprises, including: cash, part of cash used in non-fund form, securities, currency values.

Scientists A. G. Zagorodniy and G. L. Vozniuk (2000) in the Financial and Economic Dictionary explains that "financial resources" is a set of funds available to the state and businesses and are their source of industrial and social development. They characterize the financial condition of the economy and are divided into centralized (created at the state level) and decentralized (created at the level of enterprises, organizations, associations). In the work "Essays on the Theory of Soviet Finance" by the economist O. M. Byrman (1972), the term "financial resources" refers to the part of national income expressed in money, which can be used by the state (directly or through an enterprise) for expanded reproduction and for general state expenditures.

This vector of macroeconomic vision of the essence of financial resources emphasizes the concept of interconnection between the emergence of financial resources and the processes of distribution and redistribution of gross domestic product and national income, in which the leading role belongs to the state.

Further research into the economic essence of financial resources was influenced by the above approaches to the interpretation of this category. As for the definition of the economic essence of financial resources, the scientists identified the advantages, which are divided into two approaches and are based on the distributive and reproductive concepts of finance. Proponents of the distributive concept of finance support the position about the emergence of finance in the process of distribution and redistribution of the value of the total social product and national income, whose main functions are distribution and control. Other proponents of the reproductive concept attribute the existence of finance to all stages of the reproductive process, including the stages of production and exchange of goods.

Exploring the concept of "financial resources" V. V. Buryakovsky (1988), under financial resources means the money accumulated in special-purpose funds for the implementation of relevant costs. The vision of the peculiarities of the construction of the concept of "financial resources" of Professor N. M. is quite successful and original. Davydenko (2013), who primarily provides a theoretical justification for the place, role and importance of financial resources, considering finance as an economic category that is positioned separately.

From the point of view of I. Zelisko (2014) – financial resources can be used as a management tool, based on their impact on production processes. They are characterized by material characteristics with different value and level of liquidity.

According to reproduction theory, this aspect allows financial resources to manifest themselves at all stages of reproduction of production.

L. M. Khudoliy (2014) notes that in order to fully meet the needs of enterprises in financial resources as a process of ensuring the activities of the entity through the use of different methods, it is urgent to use different tools. It is necessary to direct financial managers to constantly search for the most effective of them, to adapt to the requirements of creditors,
3. The current state of financial resources of enterprises in agriculture

The main priority of state policy in the vector of European integration is to change the orientation of the state in the direction of increasing the investment attractiveness of rural areas, the introduction of restructuring of rural economic infrastructure for a balanced multifunctional development, the formation of organizational and economic tools for risk management and security (Kaletnik, 2020).

In Ukraine, the agricultural sector plays an important economic role with a share of 9% in the gross domestic product (gross domestic income in 2019). As of 2020, the entire economy employs more than 14% of the population. By comparison, in Germany, the human economy has a share of 0.82% of gross domestic income, and only 1.17% of the population is employed in the sector (World Bank 2020). One of the differences between small and medium businesses and large businesses is that large businesses attract financing from additional sources for expansion and development of the enterprise, while a small business enterprise seeks and attracts financial resources in the course of current activities. The main problem in small business is the lack of working capital. In this regard, there is a need for small and medium enterprises to attract additional sources of financing.

If a company has quality and good collateral, it can choose which source of financing suits it best:
1) Internal resources (i.e., funding from retained earnings, through capitalization or a bank loan against the owner’s deposit, etc.).
2) Traditional bank lending.
3) Issue of corporate bonds on the domestic or foreign market, IPO, etc.
4) Commercial lending – prepayment of goods by buyers and deferred payment to suppliers.
5) REPO transactions are essentially a loan secured by securities belonging to a company, with the transfer of ownership of those securities to the lender in one hour.
6) Factoring, leasing, project financing, export financing, etc.

As of 2020, farms have received 71,573.2 thousand UAH of state support. The corresponding distribution of funds was approved under the budget program "Financial Support of Agricultural Producers" in the direction of "Financial Support for Development" by the following development funds:
- provision of partial compensation for the cost of purchased agricultural machinery and equipment of domestic production in 2019 for a total amount of 24 400.5 thousand UAH. The funds will be received by 460 farms that purchased 1,152 pieces of equipment;
- providing partial compensation for the cost of sowing agricultural plants of domestic production, purchased from individuals – entrepreneurs and legal entities, which employs 53 farms that purchased 3,068.4 tons of land;
- provision of budget subsidy per unit of cultivated land (1 ha) – other farms for October-November 2019 for a total amount of 25 992.0 thousand UAH. 861 farms will receive funds.

For 2021, the government has prepared a program to support the development of farms in the following areas:
- budget subsidy for keeping cows;
- additional payment in favor of the insured persons – members / chairmen of SFG without acquiring the status of an EU legal entity;
- partial reimbursement of expenses related to the provision of agricultural advisory services;
- budget subsidy per unit of cultivated land (1 hectare) – for newly created farms;
- financial support on a revolving basis.

It is also possible to receive compensation for agricultural machinery of own production. Certain compensation of the cost of purchased agricultural machinery and equipment of own production are received by farms on a non-refundable basis in the amount of 40% of the cost of purchased machinery and equipment without taking into account the tax amount noted in the certificate of acceptance and other documents which confirm payment through the state bank-participant.

According to the budget program "Financial support for agricultural producers," the following support is provided:
- in the direction of "Partial compensation of the cost of agricultural machinery and equipment of domestic production" in the amount of 25% of the cost;
- in the area of "Financial support for the development of farms" in the amount of 15% of the value.

Also one of the important areas of state support is the reduction of agricultural loans. Of the total number of authorized banks that signed the Memorandum of Understanding on the general principles of cooperation with the Ministry of Economy (36 banks), 33 banks participated in the provision of funds by the bank.

TOP-5 leaders among the regions with the most loans – Odessa (UAH 91.6 million), Kharkiv (UAH 71 million), Ternopil (UAH 68.9 million), Cherkasy (UAH 65) and Vinnytsia (66.5) UAH 4 million) of the region.

The largest number of loans was provided by the following banks: Raiffeisen Bank Aval (UAH 112.2 billion, of which UAH 8.5 billion was offset), Credit Agricole Bank (UAH 8.9 billion, of which UAH 1.4 billion was compensated), ProCredit Bank (UAH 3.9 billion, of which UAH 3 billion was compensated), Oschadbank (UAH 3 billion was compensated), and so on.
In 2020 the state budget allocated UAH 2 billion to finance the program "Cheap loans 5-7-9%", through which more than 50,000 loans may be granted. Under the support, Ukrainian companies with fewer than 50 employees and a maximum annual income of 50 or 50-100 million UAH may take loans for business development in the amount of up to 1.5 million UAH with a maximum term of 5 years and receive loans with state support for payment of the interest rate. Interest costs are reduced from 9% to 5%. Loan guarantees are provided for loans to micro and small businesses that do not have sufficient assets to transfer as loan collateral or are characterized by increased indebtedness.

This support program was opened to the entire economy after the 2020 drought. A total of 6 billion UAH has already been provided for support under this program. A program for irrigation of agricultural land is also to be launched.

International financial organizations play an important role in lending to Ukrainian businesses. However, attraction of funding from these organizations is a rather complicated and time-consuming process, as a result of which it is possible to get significant amounts for the relevant project at relatively low rates. The list of international organizations working in Ukraine in this direction is presented below:

1) COSME European Small and Medium Business Support Program. COSME is a support program that includes a set of thematic projects and programs that run from 2014 to 2020, with a total budget of € 2.3 billion, there are 25 sub-programs, which are classified into three areas: new access to foreign markets, increased competitiveness and the formation of a culture of doing business. Representatives of small and medium-sized businesses, public organizations, regional development agencies, business organizations, organizations and organizations have the opportunity to participate in COSME programs.

2) Programs from the European Bank for Reconstruction and Development: from engaging expert consultants to providing grants. The European Bank for Reconstruction and Development supports entrepreneurs in various industries, such as: food and beverage production, wholesale and retail trade, retail trade. Grants are provided for activities related to business development, such as: IT consulting, marketing initiatives, transition to European reporting standards, exit. The main focus is on business development in the regions – 65% of projects are implemented outside Kyiv. The EBRD provides grants to companies with a staff of less than 250 people, with a period of activity not exceeding 2 years.

3) The German-Ukrainian Foundation provides microcredits and lending programs for priority sectors. Microcredit is a program for individuals, micro, small and medium enterprises. It finances the areas of production, services, agricultural economy and trade. Loans are equalized from 25 to 250 thousand UAH for 3-5 years. The program of crediting of priority branches is financing and preferential conditions for agriculture, fish farming, food industry, development of small hotels, green tourism, restaurant business, light industry, projects, from efficient energy and power supply, as well as projects on increase of labor productivity and creation of work places in problem regions. Under this program loans of up to 300 thousand in hryvnia equivalent are issued.

4. Problems of attracting and using financial instruments

In Ukraine there is a clear problem of attraction and use of assets and inefficiency of obsolete financial instruments. That is why the analysis of Ukraine and its regions in terms of attracting incentives and the use of financial instruments determines the relevance of the study. When searching for sources of financial resources an agricultural enterprise proceeds from the purpose of activity and available resource opportunities, prospects of their attraction and receipt.
The activity of agricultural enterprises is connected with many directions, which becomes possible due to the structural transformation of the sources and types of financial resources attracted.

This aspect is important to consider when an agricultural enterprise aims at such a vector of development with the developed production strategy, which does not provide for the formation of the most efficient and financially sustainable structure of financial resources.

Thus, if the management of the enterprise and its owners are aimed at increasing the return on invested capital, as well as ensuring the control and regulatory impact on the economic process, the solution of property and income distribution, then under these conditions is provided and supported by a perfect, optimal structure of the sources of financial resources.

In this situation, based on modern financial theory, the company's management will direct its activities to attract a significant amount of financial resources. It will be necessary to attract these resources taking into account the price of use, the terms of repayment, the most attractive payment terms and the possibilities of achieving financial performance with minimized risk and an acceptable level of the rate of return. It is also important to consider the chosen financial strategy and management tactics of the organizational and economic development scenario.

If to imagine that the enterprise operates at the expense of its own financial sources of product reproduction, then at the initial stage the borrowed resources are not used. In accordance with this management scenario, an appropriate financial strategy and tactics should be formed. Thus, the management of the enterprise will be aimed at ensuring economic development by generating and transforming borrowed resources and borrowed financial resources to ensure the development of the enterprise.

The tools for implementing such financial tactics will be credit resources and interest for their use. A necessary condition will be the ability of an agricultural enterprise to pay for the use of credit resources in excess of the achieved level of profitability.

In turn, this development will lead to an increase in the price of equity as a result of an increase in the amount of borrowed funds and the price of their use.

Such a financial scenario, according to value theory, would increase financial risks and increase the probability of bankruptcy of an agricultural enterprise. As a result, the weighted average cost of capital will move to the current level of the rate of return. This, in turn, will restrain the development vector of the enterprise aimed at increasing the generation and use of financial resources.

If an agricultural enterprise reaches a minimum in the level of the difference between such indicators as the weighted average cost of capital and the rate of return in the course of its activities, it will be forced to stop raising additional borrowings due to their increase. At the same time, creditors can stop financing the activities of agricultural enterprises. The reason for this decision may be the lender's desire to help maintain the borrower's positive financial position by preventing the borrower from borrowing significant amounts of money from the company, which would negatively affect the lender's income.

The financial situation is quite contradictory and ambiguous. So, on the one hand, companies have a direct financial interest in increasing external borrowings for economic growth and financial strengthening. However, such a financial strategy will eventually lead to the need to consider and compare the potential of external borrowings and the ability to meet their obligations. External borrowings must be within the potential ability to generate profits that can be used to repay service obligations. A positive financial scenario has significant advantages in terms of increasing the company’s capitalization. However, if the resource of profits for repayment of liabilities is exhausted, this financial condition should be considered the limit of increased borrowing and growth of borrowed capital.

5. Ways and vectors for further development

Structures that finance the activities and development of the enterprise should be primarily interested in the current diagnosis of the financial condition of the agricultural enterprise. Their interest lies in guaranteeing the repayment of borrowed funds, as well as in the potential threats and the ability of the agricultural enterprise to fulfill its obligations. If the company has exhausted reserves for further increase of additional borrowings and increase of the share of debt capital in the structure of financing, then the best way of further financial support is to reformat the financial policy and focus on the vector of development, based on the increase of equity capital. For this purpose two tactical directions of financial strategy implementation are possible.

First, through the generation and accumulation of its own profits, especially its undistributed part. Second, by increasing equity, and on its basis the formation of own financial resources created by the owners of the enterprise. Thus, the formation of own financial resources at the expense of own sources and the increase in equity is an important component of the financial independence and autonomy of agricultural enterprises. This scenario is the most promising for the company in terms of minimizing financial dependence and maximizing the level of creditworthiness. The logical manifestation of such financial solvency is the cyclical attraction of credit resources in direct dependence on the financial positive performance of their use, which
is an objective consequence of generating profits and using them to ensure continuous production and create a potential basis for improving the competitiveness of agricultural enterprises. This process of circulation of financial flows for the formation and generation of financial resources includes the following components:

The agricultural enterprise will carry out additional borrowings and use additional borrowed sources of financial support, the availability of which will be financially justified, taking into account the ratio of profit and payment in the form of interest on borrowed funds. In modern conditions profitable activity should be considered as the difference between profit before taxation and payment of interest on borrowed funds and the amount of accrued interest for the use of borrowed funds. The rule is implemented: the expediency of the use of borrowed funds is limited by the level of the difference between profit and the amount of accrued interest. This process is prevented by the presence of a negative value of this difference as an indicator of unprofitable activity of the enterprise.

In a difficult financial situation regarding the possibility of finding and attracting additional borrowed funds of the enterprise, given the optimal price of using these sources, this indicates a significant amount of debt compared to the existing amount of equity (Figure 1).

Table 2

<table>
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<tr>
<th>Directions of the influence of credit sources on the activities of enterprises</th>
<th>Factors limiting the use of borrowed sources</th>
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<tbody>
<tr>
<td>Strengthening the material and technical base</td>
<td>Lack of access to long-term financing necessary for expanded reproduction, due to the lack of significant and stable long-term liabilities in the banking system, the risk of long-term cooperation of credit institutions with farmers</td>
</tr>
<tr>
<td>Accelerating turnover revolving assets</td>
<td>Significant duration of the operating cycle in the industry, low solvency of agricultural enterprises, which leads to increased risk of bankruptcy due to late repayment of debt</td>
</tr>
<tr>
<td>Accelerate the turnover of current assets</td>
<td>Low purchasing power of population, growth of accounts receivable and emergence of non-payment crisis</td>
</tr>
<tr>
<td>Growth of financial potential and investment activity</td>
<td>The reluctance of potential investors to invest in the agricultural sector of the economy due to high economic and political risks</td>
</tr>
<tr>
<td>Reduction of the tax base by crediting interest on the loan to the cost of businesses</td>
<td>Reduced mass of profits and return on capital advanced due to the need to pay interest and dividends</td>
</tr>
<tr>
<td>Diversification of sources of financing the economy activities</td>
<td>Difficulty in attracting funds because of the large number of documents required to obtain credit, and the long time it takes to review them</td>
</tr>
<tr>
<td>Opportunity to increase return on capital</td>
<td>Partial loss of control and the ability to manage the activities of the enterprise</td>
</tr>
<tr>
<td>Gaining access to government support</td>
<td>The emergence of specific risks associated with the financial activities of the company in the market of borrowed capital</td>
</tr>
</tbody>
</table>

Source: generalized by the author

Figure 1. Harmonization of equity and debt capital ratio

Source: built by the author
It is logical in this case to stop borrowing, which can lead to unprofitable activities and prevent tendencies to reduce the level of capitalization of the enterprise.

The illustrated stages of formation and transformation of the sources of financial resources of the enterprise are based on the ideology of ensuring the possibility of the next stage subject to the final use of the previous stage. This approach is explained by the fact that the enterprise does not seek to increase debt by increasing the cost of debt service.

This is due to a number of factors:

In the case of an increase in borrowed funds, the cost of their service and use increases, which in turn leads to negative financial consequences for the value of the enterprise. Also, if there is a need for additional financing of investment activities, the limit of availability of borrowed sources may be exhausted. In this situation the enterprise is in a financial conflict about its ability to meet the financial needs. Therefore, the general vector of the financial strategy of the enterprise should be the application of preventive measures to contain the growth of the cost of borrowed loans.

The main of such preventive measures should be the growth of equity, which will be a limiting factor in the convergence of net income and the cost of servicing the use of borrowed loans. In this sequence of stages, there is a certain pattern of maximum borrowing of financial resources in the structure of all financial resources. The content of the process that takes place at each stage is expressed in the possibilities of financial growth, which is limited by the ability to increase borrowing. At the same time, if the strategic structure of the sources of financial support is determined, these processes stop, if it is achieved. Another scenario can also be effective. Given the uncertainty of the most optimal and acceptable level of the structure of sources of financial support, on the part of the owners of the enterprise and the existing goal of management to generate the maximum amount of financial resources, it is possible to repeat cycles and stop them for other reasons. Such a limiting factor may be the market reaction.

For agricultural enterprises, in conditions of difficult financial opportunities and limited access to available sources of financing, a competent financial policy and rational approach to the problem of financial support is important. A significant role in the provision of agricultural enterprises, in the content of which a special place is occupied by credit reduction, is carried out in order to attract loans to the agricultural sector and to create real conditions for their reduction.

The average interest rates of banks at which agribusinesses attracted loans were 14-16% per annum. Although this is not a significantly high rate compared with previous years, it does not stimulate agribusinesses to obtain loans.

In addition, it should be noted that the NBU discount rate today is only 6% per annum.

This problem lies not only in the significant margin that banks have to charge for loans, but above all in the high risk of agribusiness, as well as in the lack of effective business planning for projects that could offer loans with much lower interest rates to financial institutions.

Overdraft is a special form of short-term credit provision within the limit set by the bank, which allows making payments when there are not enough funds on the client’s settlement account to make a payment transaction. Under the terms of the overdraft, the bank credits the client’s settlement account for the appropriate payment of settlement documents in case of lack or absence of funds on the client-borrower’s settlement account. In addition, the bank deducts funds from the client’s account in full, automatically granting the client a loan in excess of the balance. It should be noted that an overdraft differs from an ordinary loan primarily in the fact that all funds received on the customer’s current account are used to repay the debt.

In case of temporary shortage of funds in the current account, the bank offers an overdraft. It will help optimize settlements with partners and ensure uninterrupted financial and economic activities. It is a kind of additional insurance for business. Clients prefer an overdraft, as the interest is accrued only on the used loan amount. An overdraft is beneficial for a company because it can at any time replenish its working capital, which is insufficient for settlements, at the expense of the bank.

According to item 2 of Art. 1069 of the Civil Code, the rights and obligations of the parties related to the crediting of the account are determined by the provisions on the loan and credit. Since an overdraft is a type of loan, it can be made out in a contract. The agreement specifies the terms of the loan:

The overdraft agreement sets to the client an overdraft limit – the maximum amount within which he can make payments from his current account in excess of the actual balance on it. The overdraft limit is determined on the basis of data on the client’s financial condition and depends on the size and dynamics of receipts on the current account. Depending on its own policy, each bank sets its own conditions for determining it. But, as a rule, the overdraft limit is determined as a percentage of the application – 10-14% of the average monthly income on the account of the enterprise for the last three to six months. Sometimes the overdraft amount is set at twice the average daily balance of the account for the last 30 calendar days.

In the financial market, according to the analysis of information of the NBU, interest rates on new loans in September 2021 were, in particular, for agriculture, forestry and fishing – only 16.0% – overdraft, respectively, 16.9% (Table 3).

Compared to the previous year, interest rates on loans to the agricultural sector decreased due to a decrease in the NBU discount rate.
It is also important that USAID lends to Ukrainian farmers through credit unions. The United States Agency for International Development (USAID) has developed a project to lend to Ukrainian farmers, which is being implemented by the World Council of Credit Unions (WOCCU). According to the statistics of the National Commission for Public Utilities, this year the number of members of credit unions in Ukraine decreased by 13% – up to 674.1 thousand. Unions of the Lviv region (110.7 thousand people) are in the lead in terms of the number of participants, and the unions of Kyiv and the Kyiv region (UAH 576.7 million) are in the lead in terms of assets. The European Union and Ukraine have signed new agreements on financing in the amount of 105 million euros for the support of Ukrainian small and medium-sized enterprises of the Polish economy and the development of small agricultural enterprises of Ukraine. The agreement also aims to mitigate the socio-economic consequences of the coronavirus pandemic and continue to support the health sector. The support of the agricultural sector and the development of small agricultural enterprises will be provided by 25 million euros, which will improve access to loans for small agricultural enterprises throughout Ukraine under the EU4 Business Program and the rapprochement of Ukraine. From the recently signed agreement aimed at improving the business, business environment through the harmonization of legislation of Ukraine and the European Community, access, to loans for the modernization of enterprises, consulting enterprises, experts on the subsequent development of enterprise skills and access to global markets in the initiative. Many other individual states, as well as private and political initiatives are active in Ukraine and support Ukraine's development in various areas.

The evolution of financial instruments is of great importance for the development of agricultural enterprises. Timely access to finance gives producers the opportunity to invest in production, increase productivity and profitability. In mature sectors of the economy, producers need more financial resources and further exploration of new tools and applications to enable this further development.

### Table 3

Prospective financial resources of enterprises in agriculture

<table>
<thead>
<tr>
<th>Type of economic activity</th>
<th>Interest rates on the loan</th>
<th>In national currency</th>
<th>In foreign currency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>total</td>
<td>in particular</td>
<td>total excluding</td>
</tr>
<tr>
<td></td>
<td>overdraft</td>
<td></td>
<td>overdraft</td>
</tr>
<tr>
<td>Total</td>
<td>9.7</td>
<td>16.0</td>
<td>8.7</td>
</tr>
<tr>
<td>Agriculture, forestry and fisheries</td>
<td>13.4</td>
<td>16.9</td>
<td>12.7</td>
</tr>
</tbody>
</table>

Source: (Credit reduction program)

6. Conclusions

The key basis of the financial mechanism to ensure the development of agricultural enterprises is financial resources, which can be formed by own, borrowed and gratuitous sources. It is proved that based on the considered features of the financial mechanism of agricultural enterprises, the main motivating problem is the rational use, accumulation and formation of financial resources in the process of economic activity, which is the basis of an effective financial policy. It is established that a balanced policy of formation, accumulation, transformation and distribution of financial resources of agricultural enterprises is crucial to ensure their competitive, financially sustainable functioning, capitalization and market success. The system of management of financial resources of agricultural enterprises must be aimed at ensuring the positive efficiency of the use of financial resources. Risk management of agricultural enterprise provides reduction of total amount of losses of enterprise, will promote its financial stability and effective development in the future. The main purpose of agricultural enterprises financial resources management is to achieve financial sustainability – the formation of a system of managerial impacts on the financial sustainability of agricultural enterprises and the search for the most appropriate ways to ensure their successful functioning.

In the future, the system of managerial impacts on the financial stability of agricultural enterprises should consist of the following interrelated elements:

- supply and marketing policy (the choice of marketing strategy and tactics throughout the supply of products to its implementation, monitoring operational information about the market, the transition to the direct supply of products, the creation of a sales network);
- financial policy, cash flow analysis, selection of strategies for attracting external resources (loans), management of accounts receivable and payable, development of accounting and tax policies;
- credit policy (determining the total amount and operation of borrowing); possible sources of funds, credit resources and guarantees are determined;
– personnel policy (formation of ideology and principles of personnel work, planning, hiring, selection and dismissal of employees, organization of labor and personnel management, training and education of employees, implementation of incentive system for their activity, development of social partnership).

Agricultural enterprises need to develop financial policies that focus on:
– profit maximization;
– optimization of capital structure and ensuring its financial stability;
– achieving transparency of the financial and economic condition of enterprises for owners (participants, founders), investors, creditors;

– creation of an effective financial management mechanism.

Based on the above definitions of financial resources and taking into account the current paradigm of financial relations in the agricultural sector, it is believed that timely access to finance provides producers with the opportunity to invest in production, increase productivity and profitability. In the mature sectors of the economy, producers need more financial resources and further exploration of new tools available to the agricultural enterprise and advanced in its economic activities to generate profits, improve competitiveness, ensure sustainable development to ensure such further development.

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