

# PLANNING ENTREPRENEURIAL ACTIVITY IN THE AGRICULTURAL SECTOR AS A FACTOR IN THE DEVELOPMENT OF RURAL AREAS

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**Abstract.** The article considers business planning as a factor in the development of entrepreneurial activity in the agricultural sector and its significance for the socio-economic growth of rural areas. *The object* of the study is the process of planning the creation and operation of agricultural enterprises in modern economic conditions. *The purpose* of the work is to summarize the scientific provisions and results of previous studies on the role of business planning in improving the efficiency of agricultural enterprises and forming the sustainable development of rural communities. *The methodological basis* of the study consists of analytical, comparative, logical-systemic, and generalization methods, which are used to systematize scientific sources, identify common patterns, and compare Ukrainian and foreign experience in business planning. A tabular method was used to visualize the results, which made it possible to present the generalizations in a clear form. The study found that business planning promotes the efficient use of resources, shapes the economic stability of agricultural enterprises, and has a positive impact on the development of rural areas. It was found that enterprises that plan their activities taking into account financial, environmental, and social factors have higher performance indicators and achieve a faster return on investment. The practical significance of the study lies in the possibility of using the obtained generalizations to improve the business plans of agricultural enterprises, increase the efficiency of their activities, and stimulate entrepreneurship in rural areas.

**Keywords:** business planning, agricultural startups, agricultural entrepreneurship, investment attractiveness, entrepreneurial activity, management efficiency, socio-economic development, sustainable agribusiness.

**JEL Classification:** Q13, Q18, R11

## 1. Introduction

Rural areas are an important component of the country's socio-economic development, as they ensure food security, shape national export potential, and support employment. At the same time, most rural regions of Ukraine are characterized by low investment activity, limited access to financial resources, and insufficient development of entrepreneurial initiative, which necessitates the search for effective tools capable of stimulating the creation of new enterprises and ensuring their economic stability.

One such tool is business planning, which is a comprehensive process of justifying and modeling the future activities of an enterprise. It allows

you to assess resource needs, predict results, identify financial risks, and outline directions for development. In the field of agricultural entrepreneurship, business planning plays a special role, as it combines the economic, social, and environmental components of rural development.

The purpose of the study is to summarize the theoretical provisions and results of scientific research on the essence of business planning and its impact on the development of entrepreneurship in rural areas.

The implementation of the research objective involves the following tasks:

- to analyze scientific publications on the problem of business planning in the agricultural sector;

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- to summarize theoretical approaches to its content, functions, and structure;
- to consider the socio-economic and institutional factors that influence the quality of planning;
- to identify promising areas for improving the business plans of agricultural enterprises in the context of rural development.

The methodological basis of the article is the analysis of scientific sources, comparative and logical-systemic methods of generalization, which made it possible to identify trends, patterns, and common features of research.

The structure of the study provides for a sequential presentation of the material, in particular the section "Literature Review" summarizes scientific approaches to business planning in the agricultural sector; the section "Generalization of the Main Provisions" systematizes the main scientific results; the section "Discussion" provides analytical conclusions on the prospects for the development of entrepreneurship; the article concludes with summary conclusions.

## 2. Literature Review

Business planning in the agricultural sector remains one of the most important areas of scientific research, covering issues of economic efficiency, innovative development, social stability in rural areas, and the sustainable use of natural resources.

The growing interest in this topic is due to the realization that quality planning directly affects the performance of agricultural enterprises and determines their development prospects. Researchers emphasize the relationship between business planning and improving the efficiency of agricultural enterprises. Gadanakis (2024) stresses that effective management of an agricultural enterprise requires the integration of planning, financial control, and entrepreneurial initiative, which ensures production stability. Frick, Vrolijk, and Sauer (2024) prove that the innovative activity of agricultural producers increases the efficiency of production processes and ensures the sustainable development of the industry.

An important issue is the creation of a favorable business environment in rural areas. Gao and Zhang (2024) proposed the Pressure-State-Response model, which allows for a comprehensive assessment of the conditions for the development of rural entrepreneurship, taking into account external economic and social factors. A similar approach is used by Huang, Yang, and Wang (2025), who argue that the integration of agricultural budget funds helps to stimulate new forms of entrepreneurship at the local level.

Jeanneaux, Wendling, Desjeux, Enjolras, and Latruffe (2025) studied the cost structure of starting a farm in central France. They proved that detailed

planning not only reduces initial costs but also ensures financial stability in the first years of operation. Similar conclusions are drawn by Pan, Zhang, and Zhang (2024), emphasizing the role of innovative entrepreneurship among farmers in increasing labor productivity and expanding market opportunities.

The issue of strategic planning for agricultural development in the context of European integration is discussed in an article by Kovalenko, Tsybulska, Sakal, Krupin, and Bratinova (2025). The authors justify the need to adapt national management systems to European planning principles, which ensures the efficient allocation of resources and increases the investment attractiveness of rural regions of Ukraine.

Halytsia, Vracholi, Nivievskyi, and Sauer (2024) emphasize the importance of combining environmental and financial indicators in agricultural production planning, which allows for the formation of more balanced business plans that take into account the principles of sustainable development. In a similar context, Schreefel, Creamer, Zanten, Olde, Koppelmaki, Debernardini, Boer, and Schulte (2024) propose a system for monitoring the effectiveness of agricultural activities based on a multi-criteria assessment of sustainability.

Recent studies confirm that digitalization is a key factor in improving business planning. Stankova (2022) emphasizes the need to use digital technologies to improve the accuracy of forecasts and cost control, while Klochko (2023) proposes to consider the business plan as an element of managing innovative development in agriculture.

Within the socio-economic approach, Tabares, Londoño-Pineda, Cano, and Gómez-Montoya (2022) analyze the development of rural entrepreneurship through the lens of the Sustainable Livelihood Framework, which allows assessing the impact of business planning on the quality of life of the rural population. At the same time, Putra, Sukoco, and Wu (2025) identify current trends in rural entrepreneurship research, noting a growing interest in digital innovation, financial instruments, and corporate social responsibility.

These approaches logically complement the findings of Rock, Friedrich, and Zscheischler (2025), who studied agricultural startups as a catalyst for the renewal of the agricultural sector, and Sippel and Dolinga (2023), who examine the relationship between venture financing and the innovative development of agribusinesses.

Thus, scientific sources give reason to assert that business planning in the agricultural sector is viewed by modern scholars as a multidimensional process that combines economic, managerial, technological, and social aspects of rural development. Its effective implementation creates conditions for increasing the efficiency of agricultural production, stimulating

entrepreneurial activity, and ensuring the sustainable development of rural communities.

### 3. Summary of Key Provisions

Contemporary scientific literature confirms that effective planning of entrepreneurial activity in the agricultural sector is the basis for economic growth in rural areas. This is because a well-prepared business plan helps farmers assess their resource needs, identify appropriate areas of production, justify expenses, and forecast expected income.

Most studies share a common understanding of a business plan as a system of interrelated elements that reflect a sequence of management decisions from idea to implementation. Thus, Gadanakis (2024) considers business planning as a process of forming the goals and economic benchmarks of a farm, while Frick, Vrolijk, and Sauer (2024) consider it as a basis for improving the efficiency of resource use through the introduction of innovations.

Jeanneaux, Wendling, Desjeux, Enjolras, and Latruffe (2025) emphasize that the cost of establishing an agricultural enterprise directly depends on the level of detail in the plan and the realism of the financial calculations. Huang, Yang, and Wang (2025) argue that the introduction of targeted state funds requires a qualitative justification of plans, which determines the level of financial support. Gao and Zhang (2024) believe that planning should take into account economic incentives, the current state of entrepreneurial activity, and the response of local economic actors to change.

The study by Kovalenko, Tsybulska, Sakal, Krupin, and Bratinova (2025) emphasizes that agricultural development planning needs to be aligned with European management standards, which opens up the possibility of integrating Ukrainian enterprises into a single market space. The issue of digitalization of

business planning is highlighted by Klochko (2023) and Stankova (2022), who emphasize the importance of using software tools for financial forecasting, cost control, and resource management.

The results of scientific research can be systematized according to the main areas of research (Table 1).

A comparison of the results of various studies shows that effective planning in the agricultural sector involves a combination of economic, organizational, and social components. It contributes to the formation of long-term guidelines for rural development, increased employment, and the efficient use of resources.

Planning entrepreneurial activity in the agricultural sector is seen as a means of moving consistently from concept to stable farm operation. In this context, it is important to train specialists who are capable of creating high-quality business plans that meet the current requirements of the economy and state policy for rural development.

### 4. Discussion

Business planning in agricultural enterprises determines the direction of future development and ensures consistency between resources, costs, and expected results. In today's economy, it serves as a forecasting system that allows entrepreneurs to assess the feasibility of their ideas and determine the level of risk. For the agricultural sector, this process has a dual significance – economic and social – because the results of agricultural producers' activities directly affect the employment and well-being of rural communities.

An analysis of foreign and domestic studies shows that planning of farming activities around the world is gradually shifting from an intuitive approach to systematic analysis of data, forecasts, and financial calculations. The work of Jeanneaux et al. (2025) shows

Table 1

#### Generalization of scientific provisions regarding business planning in the agricultural sector

Author(s)	Research area	Main conclusion
Gadanakis (2024)	Farm business management	Planning determines the economic stability of the economy
Frick, Vrolijk, Sauer (2024)	Innovative activity in farming	Systematic planning increases the efficiency of resource use
Jeanneaux et al. (2025)	Cost formation when establishing a farm	Detailing the plan reduces risks and increases financial reliability
Gao, Zhang (2024)	Assessment of the business environment	Planning reflects the interrelationship between economic pressure, the state of affairs, and the response of actors
Huang, Yang, Wang (2025)	Use of budgetary agricultural funds	Planned calculations affect the distribution of state support
Kovalenko et al. (2025)	The European dimension of agricultural planning	Planning promotes integration and increases investment attractiveness
Halytsia et al. (2024)	Environmental efficiency of agricultural production	Combining environmental and financial criteria boosts economic development
Stankova (2022), Klochko (2023)	Digitization of planning	The use of digital technologies improves forecasting and cost control

Source: summarized by the authors based on published research materials

that in France, the development of detailed financial plans reduces the costs of starting a farm by 10-15%. Similar results were obtained in a study by Gadanakis (2024), which emphasizes that structured planning allows farms to ensure stable income and reduce dependence on market fluctuations.

The experience of European Union countries shows that effective planning should be based on advisory services, access to databases, analytical platforms, and decision support systems. For example, according to Gao and Zhang (2024), a combination of government monitoring, financial incentives, and educational programs increases farmers' readiness to start their own businesses. At the same time, such a system is still in its infancy in Ukraine: farmers often use simplified or standard business plans that do not take into account changes in the market situation, which reduces the accuracy of forecasts.

In view of this, it is useful to compare certain characteristics of business planning in the agricultural sector of the EU countries and Ukraine (Table 2).

As shown in the table, the main difference between European and Ukrainian practices lies in the degree of systematic planning and its technological support. In EU countries, business planning is seen as a process of continuous updating, accompanied by monitoring of market changes and the use of digital tools. In Ukraine, this process is mostly focused on the formation of estimated indicators, without sufficient analytical support.

At the same time, despite the existing limitations, the Ukrainian agricultural sector is showing positive developments. In particular, according to Kovalenko et al. (2025), within the framework of European integration processes, a new planning culture is being formed, focused on the long term and compliance with EU standards, which creates the basis for strengthening the economic stability of rural regions and attracting young people to entrepreneurial activity.

An important prerequisite for further development is the combination of business planning with educational initiatives. High-quality training of agrarians in financial analysis, marketing, and management will increase the competitiveness of agricultural enterprises. Universities and research institutions play a significant role in this regard, as they must ensure that specialists are trained with up-to-date knowledge of planning and risk management methods.

Overall, the review shows that business planning is an important part of building economic independence in rural areas. Its implementation contributes to improving the efficiency of farms, developing local infrastructure, and increasing the well-being of the population. Combined with government support and digital services, it can become a driver for the renewal of Ukraine's agricultural economy.

## 5. Conclusions

The study found that business planning in the agricultural sector is an important component of entrepreneurial development and socio-economic growth in rural areas. It forms the basis for sound economic decision-making, enables the efficient use of resources, and reduces the risks associated with market uncertainty.

The scientific novelty of the article lies in the systematization of modern approaches to understanding business planning as a complex process that combines economic, financial, technological, and social factors of agricultural entrepreneurship development. The work summarizes foreign and domestic experience, which makes it possible to assess the possibilities of its application in Ukrainian realities.

The practical significance of the study lies in the possibility of using the presented conclusions to improve the structure of business plans for small and medium-sized agricultural enterprises. The use of

Table 2

### Comparison of foreign and Ukrainian experience in business planning in the agricultural sector

Criteria	European experience	Ukrainian practice
Level of detail in plans	High level, with clear financial forecasts, marketing sections, and risk analysis	Often limited to general calculations of expenses and income
Information base	Use of digital platforms, analytical databases, satellite data	Limited access to analytical information and digital services
Financial support	Well-developed grant and loan programs, dependent on the quality of the business plan	State support is mainly declarative in nature
Consulting assistance	Advisory services accompany entrepreneurs at all stages of planning	Insufficient number of regional advisory centers
Digitalization	Active implementation of electronic farm management systems	Preferably use standard templates in offline format
Social impact	Growth in employment, development of local communities, increase in income	Creation of mainly seasonal jobs

Source: summarized by the authors based on (Gao and Zhang, 2024; Kovalenko et al., 2025; Jeanneaux et al., 2025; Klochko, 2023; Stankova, 2022)



digital technologies, analytical tools, and consulting support can increase the effectiveness of planning, attract investment, and create new jobs in rural areas.

Further scientific research should be directed towards developing methods for quantitatively assessing the effectiveness of business planning, as

well as analyzing the relationship between the quality of business plan preparation, the level of financial support, and the social activity of rural communities. Such research could form the basis for the development of state policy on entrepreneurship in Ukraine's agricultural sector.

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