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STATUS AND PROSPECTS OF INVESTMENT AGRICULTURAL DEVELOPMENT IN UKRAINE

Summary

The monograph considers the theoretical aspects, state and prospects of the process of investing agricultural development, as well as areas of its activation. It was found that in scientific research and practice, the concept of investing agricultural development in the most general sense should be considered as a process of investing in economic activities in order to obtain certain benefits from the investor. Economic relations in the process of investing agricultural development should be formed on the principles of inclusiveness. The amount of investment in agriculture in Ukraine is \$ 70-100 per 1 hectare of land. The trend of the dynamics of investment in agriculture in Ukraine is upward, but due to financial, political, military and other crises is characterized by unevenness, periods of slowdown, decline and rise. According to the investment cycle of Simon Kuznets, whose duration in the agri-food sectors of Ukraine's economy is 26-27 years, the investment attractiveness of agriculture in the period 2009–2025 is dominated by over food industry. Due to the full-scale war of the Russian Federation against Ukraine, the process of investing in agricultural development will slow down significantly, but if military risks are eliminated, which will contribute to a significant increase in world prices for agricultural products and food, will resume quickly. In order to intensify the investment process in agriculture, it is necessary to form an appropriate agricultural policy, promote innovation projects and the development of investment infrastructure; to form balanced economic relations between institutional participants of the investment process, etc.

Introduction

Socio-economic development of Ukraine is based on developed agriculture, whose products are used to meet the domestic food needs of the population, processed and exported. Given this, the economic policy of the state gives priority to the development of agriculture in the national economy.

Ukraine's agriculture is multifaceted, in which economic activity of production is carried out by large private agricultural companies, small and medium enterprises, including farms, small farms, as well as numerous personal farms. Farms of each mode of agriculture, as a rule, focus on certain market niches. Their economic activity is important to ensure the food security of the state in the relevant segments and increase export potential.

The export potential of agriculture is formed mainly by large agricultural companies, although medium and small enterprises also play a significant role in the export of agricultural products. The interest of foreign countries in Ukrainian grain, oil, meat and other products is growing every year. It is important for the national economy that the farms of all agricultural sectors develop dynamically.

The most important factor in the economic and social development of any society is investment. They are especially important in agriculture, the products and other results of which have multiplier effects in most areas and sectors of the economy. The state of the investment process determines the nature and effectiveness of all agricultural policies. Therefore, in order to achieve positive dynamic changes in the economy and society, it is necessary to constantly intensify the investment process in agriculture.

Activation of the investment process in agriculture creates opportunities for accelerated growth of productive forces, the formation of an innovative model of production development, as well as improving the efficiency of land, material, technical and other resources and means, as well as production and human resources. Solving the tasks of activation investment processes in agriculture requires the application of various macroeconomic policies, instruments, mechanisms, management, organizational, economic and other measures. Their correct choice for the purposes of macroeconomic management of the investment process in agriculture depends on assessments of its condition, risks, investment attractiveness, opportunities of investors, state and institutional participants in investment processes and other factors. Assessments of the state of the process and investment trends are carried out constantly. The results of these assessments are needed to determine the strategy of economic development, the content of agricultural policy and measures for its implementation. This topic is relevant to this study.

Part 1. Theoretical and legislative principles of investing in agricultural development

A significant amount of research is devoted to the multifaceted aspects of the investment process in agriculture. The Organization for Economic Co-

operation and Development (OECD) constantly monitors investment processes in member countries and members of the organization [1]. A number of foreign authors such as A. Bulman, K. Y. Cordes, L. Mehranvar, E. Merrill and Y. Fiedler draw attention to the need for responsible investment [2, 3], creating an appropriate political base for them [4], understanding the nature and importance investment in agriculture for the development of the whole economy [5], Wojciech Józwiak and Zofia Mirkowska focus on the investment activity of agricultural enterprises [6], the impact of COVID-19 on land investment [7], Michael Kremer, Sasha Gallant, Olga Rostapshova and Milan Thomas studied the innovative nature of agricultural investment [8].

Rasmussen Josefine has been involved in energy efficiency investments [9], Arlie Petters, Yaw Nyarko and Torsten Figueiredo Walter social investment was researched [10], adherence to investment methodology [11], conducting annual surveys of investors – Dean Hand, Hannah Dithrich, Sophia Sunderji and Noshin Nova [12], investment prospects – Amit Bouri, Abhilash Mudaliar, Hannah Schiff, Rachel Bass, Hannah Dithrich [13], V. Korutaro, N. Biekpe studied the regulation of investment in business [14], the impact on investment of macroeconomic factors – U. Farooq, J. Ahmed and S. Khan [15], supporting investment in small and medium agribusiness – Alison Eskesen, Rashi Agrawal and Noopur Desai [16]. Ukrainian authors also pay considerable attention to aspects of investing in agricultural development, in particular: agricultural policy and investment strategy [17; 18]; investment support for agricultural development – Yu. O. Lupenko, O. V. Zakharchuk, M. I. Kisil, N. P. Reznik, A. M. Slobodyanyk, V. O. Kotlyarov and N. A. Mamontova [19–22], innovative investments – B. Ilchuk, T. Shpomer and O. Shubravaska [23–24], regional investment – N. I. Mezentseva and I. M. Moroz [25], investment methodology N. P. Reznik [26–27]. However, the state and prospects of investing in the development of agriculture in Ukraine as a process in wartime do not yet contribute to the formation of an appropriate mechanism to ensure its sustainability and management, reduce risk, increase efficiency, and strengthen the positive impact of agricultural investment on food security, export potential and development of the whole economy. Systematic research on investment issues in agriculture is carried out at the National Research Center «Institute of Agrarian Economics».

The content of the category «investment» is reflected in Ukrainian law, in particular in the Law of Ukraine «On Investment Activity» of 1991, investments are all types of property and intellectual property invested in business and other activities as a result of which the profit (income) is created or the social effect is reached [28]. In the economic literature there is a significant variety of definitions of the nature of investment, which is logical, since this economic category is characterized by historicism. Understanding of its essence and content varies depending on the level of development of productive forces and the model of economic system in which it is considered – command-administrative (planning) system, clean market, mixed,

transitional system. Currently in Ukraine there is a market model of the investment process with elements of a mixed model. In addition, in the process of investment management it is important that their owner and management understand the economic content of their object of management, which varies depending on the direction of production specialization, types and forms, which necessitates specifying the most important features of investment.

The notion of investment in this study in the most general sense is considered as a process of investor and other participants of this process of contribution of values in their economic activity with the aim of obtaining certain benefits. However, apart from the direct investor in the investment of agricultural development are involved individual or groups of other interested parties – owners of leased land and property, creditors, suppliers of material and technical resources and services, owners of investments, management, employees, buyers of products and services, the state and local governments, etc. The participants in the process incur indirect costs based on the feasibility of obtaining their own benefits. Investment owners are interested in earning profits on invested capital, management and employees in labour income, and landlords in rental payments, lenders – credit interest, suppliers and purchasers – operating surplus, the state and local authorities – budget revenues. Any investment is made in economic relations, so achieving a mutual balance of interests of their participants is the most important condition for success. The provisions concerning the subjects and participants of the investment process are stipulated in Article 5 of the Law of Ukraine «On Investment Activity» [28] and Article 55 of the State Budget Code of Ukraine of 16.01.2013 [29], Article 5 of the Law of Ukraine «On Innovation Activity» of 04.07.2002 [30].

Despite some shortcomings, the national legislation is generally favourable for the implementation of innovative investments in agriculture. According to its provisions, natural and (or) legal persons of Ukraine and foreign countries, persons without citizenship and their associations, which carry out innovative activities in Ukraine and (or) obtain property and intellectual values and invest their own or borrowed funds in the implementation of innovative projects in Ukraine. Formation of economic relations in the processes of agricultural development investment should be based on the principles of inclusiveness.

Part 2. The state of investment support for agricultural development

As in most countries of the world, agricultural development in Ukraine is based on a steadily growing amount of investment. However, the long-term growth trend in investment in national agriculture is characterized by slow and volatile nature and periodic crises. The most important factor in the lack of sustainability of investment development of the agriculture was the strong crises of a country-wide and world-wide nature. Therefore, the dynamics of capital investment in the development of agriculture for a long time was unstable. The financial crisis of 2008 led to a double dip in agricultural investment the following year 2009. Since the financial crisis, investors have

partly used the investment resources deferred during this period, which has led to a post-crisis surge in capital investment. As a result capital investments in 2011 increased by 39,4%. During the subsequent unpleasant political crisis in the state and military aggression of the Russian Federation against Ukraine in 2012–2015, the volume of investments into the agriculture has changed insignificantly in the range of UAH 32-41 billion. However, after some stabilization of the military situation in Donbas, the activity of national investors resumed, capital investment in agriculture in 2016–2017 in 2020 price terms increased by 47,6% and 31,4% respectively. But already in the next year, 2018, the expectations of investors worsened, the growth rate of capital investments to the previous year was only 7,4%, in 2019 they declined altogether, and in 2020 the investment decline turned into a crisis, which is of paramount importance for the state [31] (Figure1).

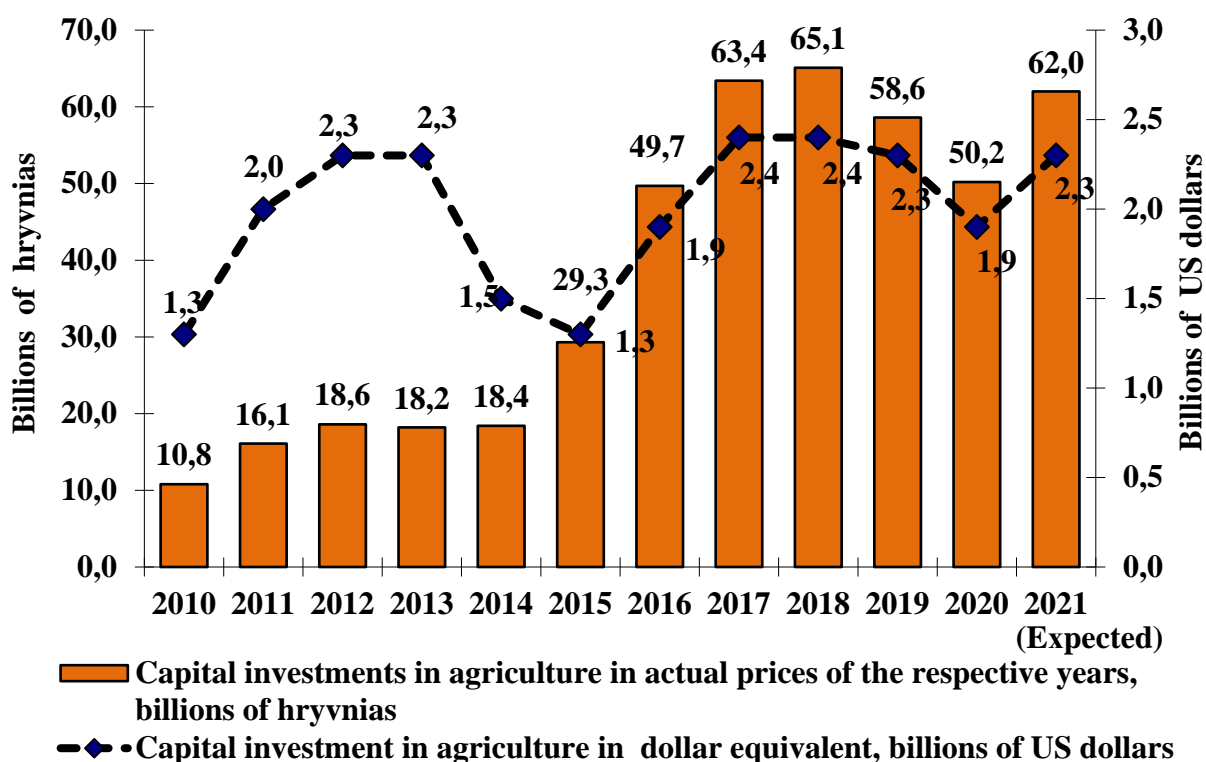


Figure1. Dynamics of capital investment in agriculture in actual prices and dollar equivalent, 2010–2021

Source: Data from the State Statistics Service of Ukraine and own calculations [31]

Investment activity in the agriculture in 2010-2020 was low overall, average annual growth rate of investment was only 11,5% or UAH 2,8 billion in prices in 2020. If not crisis periods for investment of 2013–2014 and 2019–2020, the amount of capital investment in agriculture at 2020 prices would have risen by

an average of UAH 11 billion per year. Unstable investment dynamics and relatively low investment activity have resulted not only in an insufficient rate of capital reproduction, but also in a decision by investors to invest in relatively low capital-intensive projects, which has increased the process of decapitalisation of agriculture.

At the same time, the agrarian business at this time was developing on an innovative basis, which ensured its competitiveness and efficiency.

According to the State Statistics Service of Ukraine, capital investments in January-December 2021 amounted to UAH 48,1 billion. As the corresponding overall capital investment investment figure for the year is higher than that accounted for by the January-December statistics, the authors expect total capital investment in agriculture in 2021 to exceed UAH 60 billion across the board. With this in mind, Ukraine's agriculture has overcome the investment downturn and continued its upward trend in 2021. With this in mind, Ukraine's agriculture has overcome the investment downturn and continued its upward trend in 2021. Investment activity in the agrarian sector of the economy last year was almost twice as high as the average for the economy. While capital investment by an average in the economy increased of 13,0% in 2021 compared to the previous year, capital investment in agriculture increased by 23,5%. Corresponding investments in the food industry for January-December 2021 amounted UAH 21,3 billion, which is only 94,4% of the respective period of the previous year. The ratio between investments in agriculture and food processing in 2021 was 2,6 UAH/UAH in favour of agriculture. According to a preliminary forecast by the authors, carried out before the full-scale aggression of the Russian Federation against Ukraine, the amount of capital investment in agriculture in 2022 under the realistic scenario variant should amount to UAH 72 billion. However, the additional military risks that have emerged for investors in 2022 force a pessimistic view of capital investment in agriculture, although it will remain an investment priority compared to the food industry. In conditions of particularly high level of risks for national agro-investors should be expected, that in 2022, they will allocate their investment resources in control areas mainly to the simple reproduction of fixed capital, the maintenance of existing capacities and to the growth of working capital.

If the risks posed to investors by the war are significantly reduced or eliminated altogether, investment in agriculture will pick up quickly. In this case, the additional benefits to agro-producers from higher prices for their products will outweigh the impact of negative factors, which will accelerate the return on investment. Under acceptable security conditions, this would strengthen the interest of national agro-investors in their investment projects and intentions.

Unsustainable dynamics of capital investment in agriculture, carried out at the expense of all sources of financing, is nevertheless bottom-up in nature. The total investment per hectare of land in recent years has been in the \$70-100 range, whereas only at \$150 per hectare is a state considered to be developing.

A manifestation of the underinvestment in agriculture is an increase in food imports; the instability of investment activity in agriculture, predominant specialization in the production low-capital and with a low content of value added types of products, the destruction of part of the food industry, where capital-intensive agricultural products were used. Due to the reintegration of agriculture most of the agricultural, construction, water management, land reclamation and other businesses have ceased operations. In particular, the number of jobs in rural areas has decreased.

If the negative factors continue to prevail, it is to be expected that the process of investing agricultural development in the next 3-5 years will probably not be active enough, and the instability of the macroeconomic investment process will persist. With the weakening of negative external factors in the future, the volume of capital investment will gradually increase. According to the realistic forecast scenario, implemented before the start of the full-scale war of the Russian Federation against Ukraine, it was expected that the dynamics of capital investment in agriculture will be characterized by the following features: 2022 – slight post-crisis surge of investment activity; 2023–2024 – some slowdown in this activity; 2025 – the beginning of the intensification of investment processes. 2026–2030 – increasing the pace of investment development. To ensure more optimistic forecasts, additional measures will need to be taken to support and stimulate investment in agriculture.

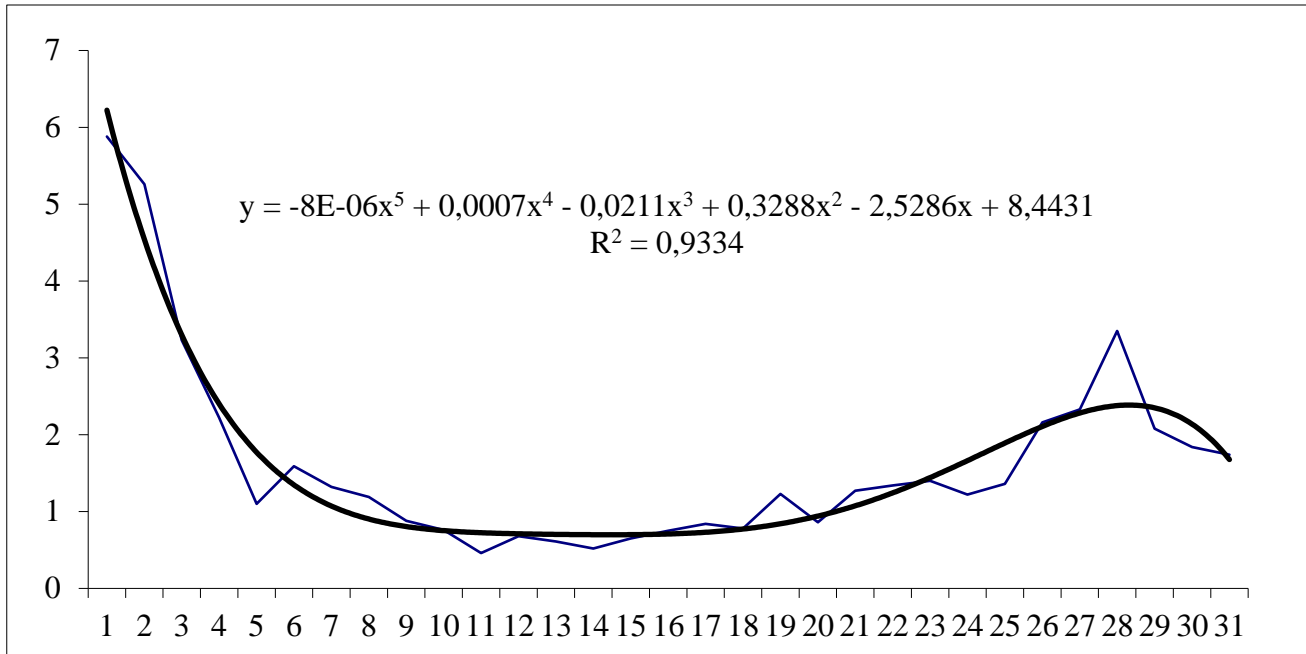
Investment in agricultural development has been markedly affected by the continuing rise in the cost of investment resources. According to calculations, the average annual rate of inflation of capital investment in agriculture in 2011–2020 was 8,4%, which had a negative impact on the investment opportunities of commodity producers. In the future, too, the level of inflation risks for investors should be expected to increase.

There is a certain rhythm to the macroeconomic investment process associated with the manifestations of the Simon Kuznets investment cycle, in which the investment processes of agricultural development and food processing are interlinked. The course of this cycle in the agri-food sectors of the Ukrainian economy over the period 1990–2020 is characterised by the data presented in Figure 2.

Duration of one Simon Kuznets cycle in which investment is prioritised in agriculture over the food industry, alternately alternate, for Ukrainian conditions, is 26-27 years, and a favourable phase for agriculture of this cycle is 13-14 years. Since 2009–2010, agriculture has become more attractive for investment than the food industry. According to the algorithm of the investment cycle, we should expect that the phase favorable for the agricultural sector will gradually weaken until 2024–2025.

Then the food industry will become an investment priority, which will increase the export potential of agri-food products with a high added value. With this in mind, national agri-food companies can already be encouraged to formulate strategies, programmes and projects to increase the capacity for the

processing of agricultural commodities and the production of food and other products with a high added value. These strategies, programmes and projects should be export-oriented. The investment activity of the agricultural sector was strongly influenced by regional conditions (Figure 3).



*Numbers on the abscis axis from 1 to 31 correspond to the years from 1990 to 2020, and on the ordinate axis – the size of the analyzed indicator in dynamics.

**In the figure, the laman line shows the dynamics of actual indicators of capital investments, and the curved line is their aligned values along a fifth-order parabola.

Figure 2. Correlation between capital investments in agriculture and food industry in the period 1990–2020 according to actual indicators and parabola of the fifth order, UAH/UAH

Source: Calculated on the basis of the data provided by the State Statistics Service of Ukraine [31]

The largest amounts of capital investments in agriculture per hectare of land (over \$150) in 2020 were in Ivano-Frankivsk, Ternopil and Rivne regions. Particularly low levels of investment in agriculture were observed in Odessa, Luhansk, Donetsk and Chernivtsi oblasts, where capital investments per 1 hectare of land did not exceed \$50. Under war conditions in 2022, we should expect a significant decline in investment in agricultural production, or its suppression in the occupied and front-line territories.

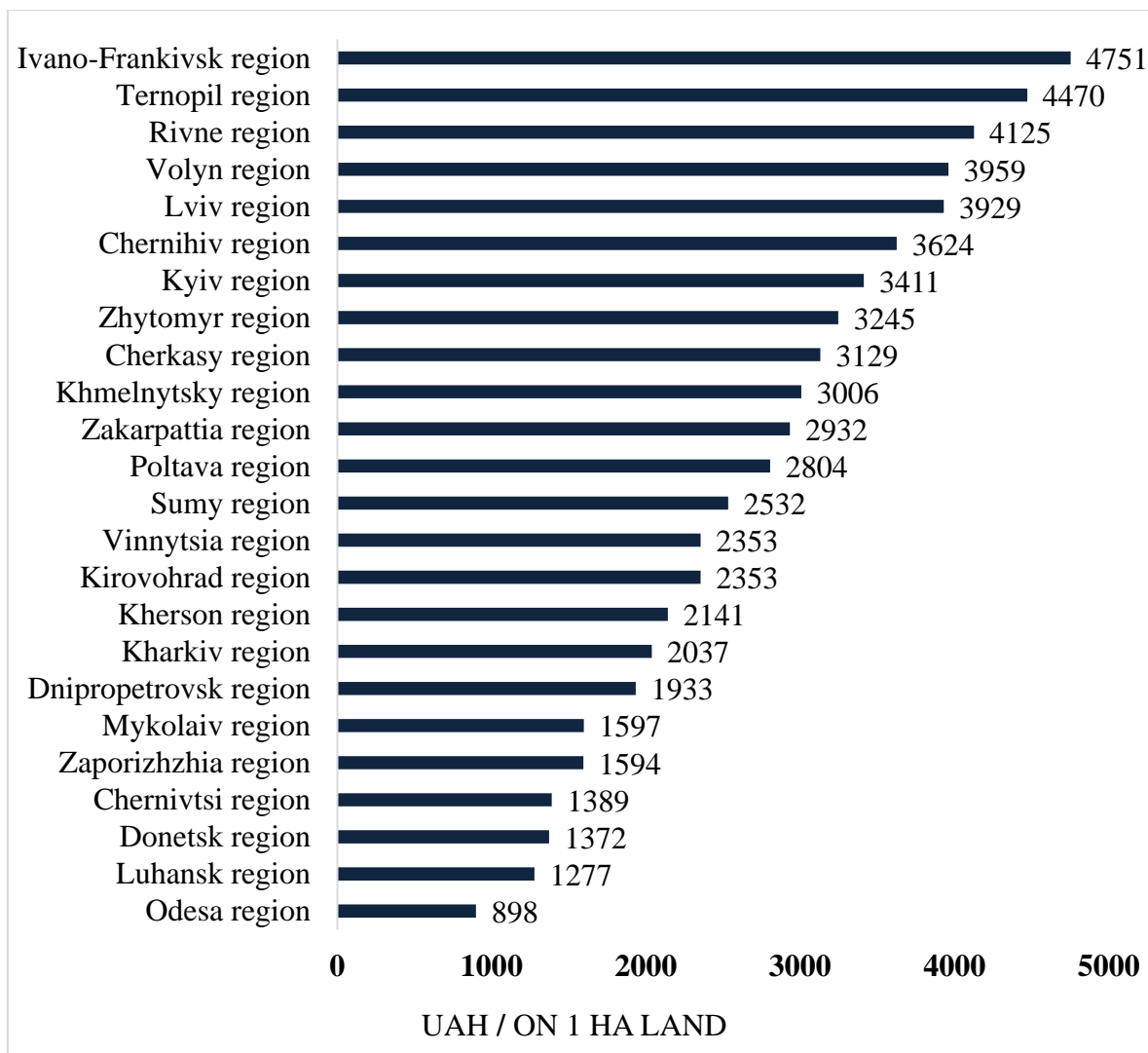


Figure 3. Capital investments in agriculture per 1 ha of agricultural land, 2020

Source: Data from the State Statistics Service of Ukraine [31]

Part 3. Activation agricultural development investment processes

Solving the problem of intensifying agricultural development investment processes in the context of a full-scale war against Ukraine is extremely difficult, but if it is stopped, it is possible. The war is not conducive to agribusiness investment activity, although its importance to the state is growing, and the investment appeal has caused a significant rise in world food prices and a worsening of the global food problem, caused by war.

In the process of research was studied the current price situation on world food markets and its impact on investment processes in agriculture and the food industry in the context of the Russian Federation's full-scale war against Ukraine. It was found that in March 2022, world food prices rose sharply, reaching a record high, as reported on April 8 by the Food and Agriculture Organization of the United Nations (FAO) [32]. This conclusion was made by

FAO experts based on the results of monthly monitoring of the price index for the most popular food products in the world. The average value of this index in March 2022 was 159,3 points, which is 12,6% higher than in February, when it reached a record level since the introduction of this index in 1990. Global price indices for cereals (17,1%), including wheat (19,7%), maize (19,1%) and oil (23,2%) increased particularly. A number of experts foresee the onset of hunger and food difficulties in countries that are heavily dependent on imports of food with relatively low added value. These difficulties are already arising and will intensify with the war in Ukraine. Research estimates that they will occur 2022–2023, during which time world food markets and national governments will be able to put in place mechanisms to deal with the food crisis. Therefore, national food producers and investors even in conditions of high investment risks now it is economically feasible to direct additional cash receipts from the sale of agricultural products and food on the formation of investments in crop production and the development of its market infrastructure. It is especially important to implement investment projects protected from the military influence of the aggressor on the links of export logistics. It is also to be expected that the rise in world prices of crop products and the food produced from them will be largely attributable to a reduction in Ukrainian exports of these products. Since the share of livestock products and processed products in the structure of national agri-food exports is insignificant, the growth rate of world prices for it is relatively low. We should expect, that the production of poultry products will be attractive for investment, and the dynamics of total capital investment in livestock farming will show a significant decline. In order to maintain the position of national agribusiness on world food markets, national agribusinesses, even in the face of war, it is advisable to make the most of the opportunities to intensify investment activities. To this end, nationwide and regional and local measures are needed in the coming years to improve investment support for agribusiness development.

It is particularly important to support the investment activities of small and medium-sized agribusinesses. This will keep domestic food prices down, which is key in a war environment. Increased investment risks to agribusiness will be partly offset by factors in further increases in global food prices.

Rising global food prices will generate additional income for national agricultural producers and achieving acceptable for them level payback on investment. Besides, in the conditions of war, the predominant part of the investment national producers will direct investment in working capital additions, which are precisely focused on to achieve a quick payback. Despite high risks to national agribusiness, expedient remain optimistic and invest funds in their future.

For the successful development of the agri-food sectors of the economy in Ukraine, proper agricultural policies should be formed following the example of the OECD member countries, where, through various mechanisms of state

regulation is provided by prices for sold agricultural products products are exceeded over entry prices on inputs, which is seen as support to commodity producers. That said, product output and resources consumed are valued at world market prices. In most states the ratio between input and output prices agricultural producers on products and resources, as is the proportion of their support, now more than one, which allows producers to generate their own funding sources investment in the expanded reproduction of capital, and only in Ukraine is this ratio minimal or unsatisfactory (table 1).

Table 1

**Share of support to agricultural producers (PSE)
as a percentage of their gross revenues, 1996–2020**

Year	OECD	EU	Ukraine
1996	27,34	31,18	-23,82
1997	26,09	29,98	-15,74
1998	29,84	33,37	8,44
1999	32,90	35,86	3,00
2000	30,13	30,33	-0,10
2001	26,89	28,20	-0,69
2002	28,12	30,83	3,77
2003	26,97	31,13	-1,89
2004	26,96	30,48	-0,02
2005	25,86	28,58	0,47
2006	23,99	27,31	9,04
2007	20,10	22,32	1,72
2008	19,06	20,60	-2,56
2009	20,81	22,61	6,94
2010	19,20	19,33	5,25
2011	17,76	17,75	-3,64
2012	18,23	18,99	-0,24
2013	16,90	19,56	-0,02
2014	16,36	17,27	-1,44
2015	16,97	18,77	0,54
2016	17,86	19,58	-1,45
2017	16,97	18,88	-0,81
2018	17,72	19,66	2,10
2019	18,72	19,48	2,96
2020	18,07	19,33	1,38

Source: OECD monitoring data [1]

However, the current practice of agricultural policy formulation in Ukraine does not yet correspond to the world experience. Provided for in the state budget for 2022 8,0, and in reality 4,6 billion hryvnias in support of agricultural producers, do not inspire enough optimism. Given the world practice, this is the level of state support for agriculture in Ukraine (\$8 per 1 hectare of land

used by agricultural enterprises) will not play a significant positive role, but instead will have a negative impact on investment processes. If this state of affairs continues, existing threats to the state's economy and society will intensify and new ones will emerge.

In connection with the above, in Ukraine, similar to the practice of OECD members and other countries, activities should be implemented on the formulation of agricultural policies that provide appropriate support and incentives for investment in agriculture. This provision must be enshrined in national legislation.

It cannot be accepted that, that the national economic development strategy and the state strategy for regional development lack provisions for agricultural policy, investment support and its priorities, monitoring system and indicators [33; 34; 35]. The aim of this policy is not only to increase budgetary resources for the support of the rural economy but also to ensure an increase in the income flow of landowners. Formation of effective agricultural policy and giving it an investment-directed nature should be considered one of the most important objectives of the state policy of socio-economic development.

Although innovation investments in agriculture play an important role, their importance in the dynamics is diminishing. Investors are still investing in the production of a limited nomenclature of the most profitable low-capital and export-oriented types of agricultural production, creating cereal processing capacity, increasing logistics and export potential. This is used mainly engineering and technology, seed material and means of protection of plants of foreign production.

These features of innovation in the investment process leads to the fact that most of the additional value created in the national agricultural sector goes out of state, the material and technological base of the national innovation infrastructure does not develop in a proper way, especially the agrarian science institutions.

A negative feature of the investment process in agriculture is the reduced participation of small agribusiness. While its share in the total amount of capital investments in 2017 was 42,9%, in 2018 it was 37,6%, 2019 – 32,5 and in 2020 – 31,5%. Small enterprises sell their products mainly to market intermediaries at lower prices. Moreover, they have comparatively higher risks of loss of products and property due to raider seizures, lower possibilities of crediting and receiving state support, etc. Supporting and stimulating investment activities of small agribusinesses should be one of the most important tasks of the state's agricultural policy.

The priorities of agricultural policy should also include measures to: facilitating the development of the investment infrastructure; shaping balanced economic relations between the institutional actors involved in the investment process; Organizational support for investment projects that meet environmental and ecological requirements and have significant social and

macroeconomic effects and are implemented in foreign logistical segments of national exports.

Investment in agriculture is now creating widespread imbalances in economic relations that result in significant differences in the levels of efficiency of the capitals of the participants in the investment projects. The imbalance manifests itself mainly in: comparatively low rates of rent payments for land plots of citizens and understated level of remuneration of personnel and, consequently, the profitability of land and human capital; the excess of credit rates over the profitability level of most investment projects in the agriculture, which leads to the cancellation of their implementation; unreasonably high prices for inputs and services used in agriculture; significantly lower prices compared to domestic and foreign markets for the purchase of agricultural inputs by middlemen. The regulation of economic relations can be facilitated by indicatively or recommendatively set for the owners of the investment projects, especially those for which state support is provided, as well as adhering to the principles of inclusiveness that allow equal opportunities for all participants in these projects. It is particularly important to ensure that the principles of inclusiveness are respected, taking into account the contribution and level of risk of the project participants. For example, if project analysis shows that the profitability of a given project for the economic agent is accepted to be 15%, then it is economically viable to maintain such ratios in terms of project capitals efficiency for the participants of this project: For human capital it is economically feasible that the rate of return is increased by 7-10 percentage points; for land – rent at the rate of 6-9% (actually 3-5%); investment – rate of return on capital advanced by the project owner – 10-12%; resource and service providers' margin, including loans – lower than the project payback, and the buyers of the products – not more than one third. These indicators are indicative, but compliance with them at the mutual agreement of the specific project participants will create conditions for the formation of fair economic relations and manifestation of their synergy, and occasionally – an increase in the level of macroeconomic efficiency of investments.

In order to increase the investment attractiveness of the agriculture, the first priority is to carry out nationwide measures to complete the reform of the economy and state institutions with investor protection functions; To fight corruption, ensure conditions for enterprise development and protection of property rights; and provide investment support for small and medium-sized agribusinesses, especially in depressed and war-affected areas.

Conclusions

Investment is the most important factor of Ukrainian economic development. They are especially important in the agriculture, which ensures food security of the state, forms a significant export potential and produces multiplication effects in the majority of spheres and sectors of the national economy. The

continuity of investment and the increase in the volume of investment in agriculture meets the basic needs of the development of society.

The notion of investment in the scientific research and in practice in the most general sense is appropriate to consider as a process of investor and other participants of this process values in their economic activity for the purpose of obtaining certain benefits. The Ukrainian legislation and regulations are generally favourable for investment in the development of the agricultural.

Today's size of investment in agriculture (\$70-100 per 1 hectare of land) do not yet match the level of developed countries. Their dynamics is ascending, which, however, is unstable, due to frequent crises of a general nature in the country. The largest size of capital investment in agriculture (over \$150 per hectare) in 2020 they were in Ivano-Frankivsk, Ternopil and Rivne regions. The investment process is especially slow in Odesa, Luhansk, Donetsk and Chernivtsi regions, where these investments did not exceed \$ 50 ha per hectare. Such differences point to the significant influence of regional factors in investing in agricultural development.

Due to the large-scale war that the Russian Federation launched against Ukraine in 2022 should be expected another decline in investment, or it is complete suspension in the occupied and frontline territories. In the controlled territories, investments in agriculture will be directed mainly to the simple reproduction of fixed capital, maintaining existing capacity and increasing working capital. Since food problems have increased through the war in several countries, food prices on world markets have started to rise, the investment attractiveness of the agriculture is increasing, which will promote the intensification of investment processes in the regions with security conditions.

To solve the problem of activation of the process of investment development of agriculture in war conditions is a very difficult task, but subject to it is termination is possible to solve, as now the agriculture is still in a favorable phase of Simon Kuznetsa investment cycle and the period up to 2024–2025 compared to the food industry will be more attractive for investment.

In order to activate the investment process in Ukrainian agriculture the appropriate agricultural policy should be formulated and innovation projects and investment infrastructure development should be promoted; to form to balance economic relations between institutional participants of investment process, etc. Moreover, the management of the investment process in the agriculture must ensure that it is most important features and trends are achieved, such as continuity, sustainability, rhythmicity, growth of scale and intensity, expanded reproduction of capital, innovation, availability of investment resources. The most important areas of the active investment process in agriculture is: creation of conditions for private investments, especially foreign ones; primary support and encouragement of investments of small agribusinesses as well as responsible investments; Inclusive approaches to balancing economic interrelationships among the participants in investment projects on the based on capital efficiency indicators, etc.

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