

**THE CURRENT STATE OF DEVELOPMENT  
OF AGRICULTURAL ENTERPRISES OF VINNYTSYA REGION**

**Kaflevska Svitlana<sup>1</sup>**  
**Lysiuk Oleksandra<sup>2</sup>**

DOI: [http://dx.doi.org/10.30525/978-9934-571-28-2\\_17](http://dx.doi.org/10.30525/978-9934-571-28-2_17)

**Abstract.** During the last 20 years Ukrainian agricultural sector has undergone significant structural changes and shifts. Inefficient agricultural reforms and unrestrained economic policy of the state in agricultural have led to stagnation of the industry, which destroyed the production base and the system of material and technical support, undermined social and economic base of village. Agriculture is one of the most important and major branches of the economic complex of Ukraine. This sector plays an important role in development of economy of the country, increases standard of living of population and resolves social-economy problems. Agricultural industry creates a lot of job positions and also reduced the level of poverty of population. This sector of material production is very important for providing population with food and industry with raw.

The subject of the research is mechanisms of labour resource availability impact on long term economic growth pace in the modern global economic environment in Vinnytsia region and Ukrainian labor market in general. The aim of the research is theoretical justification and empirical testing of the thesis that post transformational stage of economic system development fundamentally changes labour resource availability impact on its economic growth, and increase of skilled labour availability is less significant factor of economic growth than institutional and structural reforms for post-socialist countries with weak institutions. In fact, for the most modern situation at Vinnytsya region we have analyze labor market of region, of rural territories and Ukrainian labor market in general. As a conclusion, we have analysed all these items and determine better ways of resolving all problems what can keep the development of agricultural sector of region. During researching

---

<sup>1</sup> Candidate of Economic Sciences,  
Associate Professor of the Department of Agrarian Management,  
Vinnytsya National Agrarian University, Ukraine

<sup>2</sup> Vinnytsya National Agrarian University, Ukraine

## The current state of development of agricultural enterprises of Vinnytsya...

we used observation, abstraction and comparison methods. These methods described us the current situation in agricultural labor market in Ukraine in general, at rural territories and at Vinnytsya Region. Thus, recognition of the human development as a decisive factor for specification the growth ratio of society's welfare, became a theoretical base for economy policies in developed countries. However, priority of creation of prime conditions for human potential development in agrarian sector of Vinnytsya region contradicts with short-term financial stabilization problems.

### **1. Introduction**

The agricultural sector of Vinnytsya region has great potential for development and involving investment resources. Because in this region there are a big amount of fertile lands, high quality labor force, good natural and climate conditions. However, the region has the insufficiency of sector needs in domestic market and the rapid growing demand of food products in the world. As a result, the formulating of effective mechanism of social oriented agricultural economy of Ukraine has to balance the economic process, the development of rural communities and ensuring of food security in the society in general. Stabilization of economic situation and growing of effectiveness of agricultural development could be achieved by the stable development of agricultural enterprises which is impossible without involving new resources, innovations, additional financial investments which cannot be done by most of agricultural producers.

The aim of the research is theoretical and empirical testing of the thesis that post transformational stage of economic system development fundamentally changes in labour resource in Ukraine and Vinnytsya region. In fact, for the most modern situation at Vinnytsya region we have analyze labor market of region, of rural territories and Ukrainian labor market in general. During researching we used observation, abstraction and comparison methods. These methods described us the current situation in agricultural labor market in Ukraine in general, at rural territories and at Vinnytsya Region.

The state and development prospects, obviously, for every country depends on workforce. It is determined by population composition, their labor, productivity and creative possibilities. In fact, population is the main factor of every household and economy brand. According to the science literature the population is the amount of people, living on the certain

territory – in the district, the town, the region or the country. The main feature of the population is that being restored in the process of reproduction of life it is in the state of self – development through creation of material component of human society and creates the subject of human relations. The key element of development of all Ukrainian economy for getting high standard of living and the level of well-being of the population belongs to agricultural sector. And the central place of this belongs to people, who are called human resource. Only people can determine the strategy and direction of production development, organization and setting-up of work results. People as a work force with their abilities are the basic productive force and strategic resources, but they are not only productive element. Providing enterprises with needed labor force, its rational use of labor force, high level of production is of great importance for every enterprise [2, p. 224].

## **2. The general situation of labor force at the Ukrainian agricultural sector**

The agricultural sector in the economy of any country occupies a special place. The importance of the role, allocated to agriculture determined by the production of high-quality and affordable food, and active participation in solving global problems of hunger. Therefore, the degree of agricultural production directly affects the level of economic security. The permanent economic instability, dominance of large high-tech agricultural formations (agricultural holdings), decline of the social infrastructure and lack of alternative types of productive employment led to such phenomena as high unemployment of rural residents and as a result chronic poverty in rural areas. Modern Ukrainian economic science and practice don't have clear mechanisms to influence of the formation of employment in agriculture, adequate modern European integration processes. Having some problems in this area and the lack of an integrated approach to their solution determined the choice of research topics.

The reduction of employment in agriculture takes place against the backdrop of rising unemployment throughout the economy. Official statistics suggests a relatively low unemployment rate of 7% – 8%. Calculations of the “estimated unemployment”, conducted at the Institute of Economics and Forecasting of NAS of Ukraine, taking into account quasi-employed and migrants, who went in search of work abroad, give an index about 20%, which corresponds to the problem of unemployment

## The current state of development of agricultural enterprises of Vinnytsya...

in European countries. In 2012, the Law of Ukraine “On Employment”, which provides a number of measures to address this problem. Social and economic development of the village was and is a major focus of agricultural policy in Ukraine. According to the Law of Ukraine “On the Fundamentals of the State Agricultural Policy for the period up to 2015» from 18.10.2005, № 2982-IV, rural development is the strategic goal of agricultural policy in Ukraine. The main components are follows: foster the employment of the rural population; promoting the income level of the rural population and so on. Approved in 2013, the CMU development strategy of the agricultural sector for the period up to 2020 aims to “develop a viable, socially oriented agricultural sector, which should satisfy the needs of the domestic market and a leading position in the world based on its multiculturalism and priority support to businesses, whose owners live in rural areas, combine the right to land and work on it as well as their own economic interests with social responsibility to the community” [4, p. 112].

Comprehensive program of the development support to Ukrainian village until 2015 provided “creating organizational and economic conditions for the integrated development of rural areas and improving social level of residence rural population, in the first place, increasing its employment and income «. Consequently, problems of employment and social development in law is divided enough attention, but in most cases the existing regulatory acts are piecemeal in nature, which does not provide clear mechanisms for implementation of all the provisions and no specific indicators of socio-economic development, which will be achieved during this period. The degree and nature of employment in agriculture is influenced by many different factors, classified into natural, institutional, economic, social, technological, legal, demographic, psychological, and others. Exploring the demographic factors revealed that Ukraine has been traditionally considered as agricultural country. But in recent decades, despite of active “rule-making”, share of employment in agriculture has decreased steadily. During 2012 the total number of employed workers in Ukraine amounted to 12.2 million. (According to the specified number of employees is calculated as the average for the year). Of those in agriculture employed near 0.75 million, or just over 6%. In comparison to the base year 2000, number of people employed in agriculture fell by 2 million (according to different estimates of the proportion of the population employed in agriculture in the early twentieth century reached 80 per cent) [6].

On the supply side the labor force is a reduction in the rural population, which basically satisfies the demand for labor farms. As of Q3 2013 proportion of the rural population in the total population of the entire population was 31.2% or 14.1 million people, and has a slight tendency to decrease. Reducing the number of rural and agricultural workers in a general sense of this process is seen and perceived by society as a natural, normal. Because technological possibilities for the development of the productive forces in all branches of material production, and to increase productivity on this basis allow fewer rural residents and those employed in agriculture to produce increasing amounts of agricultural production for food security of the entire population of the country. It is a common axiom. Meanwhile justified this view can only be on the relative decrease in the number of rural residents and workers of agricultural sector in the total population [4, p. 57-58].

Today labor force is the main element of competitive advantages at the modern economy situation. Not only natural resources are the key element in developing of agricultural industry. But education, studying process, using experience and getting knowledge of a person can be accumulated for creating the material, which can be used as a base for creating good environment and strong strategy for growing agricultural industry.

To sum up, labor force is one of the most important part of the capital of any enterprise structure.

Labor force from the rural territory is the basic of labor potential of agricultural branches and the main subject of management processes of the government. And most of management processes has to focused on formulating both quantitative and quality characteristics of labor potential. The quantitative site can be presented by number and composition of people able to work and the quality site is made of demographic, intellectual, physiologic, educational and qualificational and other features. We have decided to analyze the state and using the labor potential of rural communities and have determined the negative trends of the last years [2, p. 224-225].

The main condition of social economic development of agricultural production is constancy of social – demographic processing in villages. But analyzing the tendency of the last years we determine the aggravation of these processes. Because of the long and negative demographic behavior of people from rural territory, 113 villages disappeared (tables 1) (from Ukrainian geographic maps) for the last years.

Table 1

**Population of Ukraine**

	Existing population		
	In all	including	
		Urban population	Rural population
2007	46646,0	31777,4	14868,6
2008	46372,7	31668,8	14703,9
2009	46143,7	31587,2	14556,5
2010	45962,9	31524,8	14438,1
2011	45778,5	31441,6	14336,9
2012	45633,6	31380,9	14252,7
2013	45553,0	31378,6	14174,4
2104	45426,2	31336,6	14089,6
2015	42929,3	29673,1	13256,2
2016	42760,5	29585,0	13175,5

Reduction of quantity of merkable people at the rural territories is a treat of normal playback of workforce potential for a long period and creates serious problems for the development of (agricultural sector). To avoid these problems, serious and strong steps from the government are needed. All efforts must be directed for keeping natural population growth at the rural territory and immigration growth. Now we have the opposite situation: in searching better working conditions the most perspective part of labor force leaves the rural areas and the number of dead people is bigger than the number of children born in the area. Active development of migration process started in the middle of the last century and is being continued.

Number of available rural population in 2007-2016 years dropped by 1 million 793,1 thousand people., or 16.5%. Occurs the Depopulation of rural areas, deregistration of the sparsely populated settlements and as a result, chipping away at the rural settlement network. Thus, despite of the some leveling of mortality and fertility in the past 10 years, the current demographic situation in rural areas is alarming.

The problem of the existing inequality of income across population groups of Ukraine, including wages, is quite acute. The decline in real income and decreasing differentiation – two key trends in the change of people's lives over the years.

Serious problem of employment in agriculture is its informal nature. Informal employment is the set of socio-economic relations, which

are subject to social and neutral or positive nature; they relate with the activities of citizens under the law allowed economic activity, performed by them or on their own within a small production, the results of which for various reasons (basic – a high degree of bureaucracy) are not captured by statistics. By informally employed in the legal sector include: officially unsettled workers in registered factories and formalized employees, that engaged in several activities: primary and secondary (unrecorded) and receiving the second activity additional (unrecorded) income. The number employed in the informal economy in the first half of 2013 compared to the corresponding period in 2012 increased by 248.7 thousand people and was 4.8 million, or 23.3% of the total number of employed persons aged 15-70 years. Employment in that sector is more common (48.7%) among the rural population. In urban areas the amount of employment was low (11.8%) due to a more favorable situation on the labor market. Among those employed in the informal economy, almost two-thirds were working in agriculture (64.5%).

For employment in the informal sector, characterized by the fact that it is not registered, most manufacturers significantly restricted in entering the organized markets, not covered by social security, labor laws and safety regulations. This type of economic activity is actually not considered statistically because informal employment in the legal sector is not envisaged. In recent years reducing the demand for labor in the agricultural sector is largely “owes” the new economic environment, a slightly different structure for the bulk of landowners and land. Among the objective factors of the low level of employment in rural areas can be identified agroholdingization farms. The rise in unemployment among the rural population due to the displacement of labor-intensive agricultural products, transition to mono production and use super narrow agricultural machinery leads to the impoverishment of the rural population, development of migration and extinction of rural areas [4, p. 112].

Ukrainian labor markets are a subsystem of the world economy and directly affect the dynamism of economic growth and macroeconomic balance. But at the same time international labor market is under the influence of socio-economic indicators and dynamics of economic growth. In addition, a number of economic factors, such as globalization and regionalization, on the one hand, and global competition and technological progress, on the other hand, also wield influence on the current international

## The current state of development of agricultural enterprises of Vinnytsya...

labor market. All of them constitute a strong link between the parameters of the development and functioning of labor markets, social institutions, protection of national training and competitive position of individual countries regarding unified and liberalized markets.

Due to the fact that components of international (global) labor market are formed at the continental regional level where the region is considered as a large supranational entity that brings together a number of countries with similar socio-economic and socio-cultural features, it is much better to make the analysis of the dynamics of employment with the consideration of the regional aspect. Thus, despite the multidirectional trends in the number of employees in the global economy, the overall growth.

Long-term negative trends on the labor market in Ukraine generate economic and social problems associated with poverty and unemployment. They prevent creation of conditions for stabilization and economic growth, deepen social tension in society. The development of economic processes and events in Ukraine demonstrates the need for increased attention to the national labour market, which is an important element of the socio-economic system of the country. The background for carrying out qualitative changes in the socio economic area is a systematic analysis of the dynamics of local labour market development, which will help to form an effective mechanism for the use of human potential. Therefore, the development of relevant dynamic structural economic and mathematical models will allow us to reveal the particular nature of the relationships between the main macroeconomic indicators of the labor market and to predict the future situation in the socio-economic sphere.

To achieve the objectives of the research and define an adequate specification of the labor market macromodel, we must first thoroughly analyze the main trends of the socio-economic development of the Ukrainian economy on the basis of the available statistical database of the national labor market indicators and key macroeconomic indicators for the past thirteen years, in particular the quarterly dynamics of changes in average wages, nominal employment, number of unemployed, economically active population, unemployment rate of the population, as well as the factors that determine their behavior in the long and short term.

The problem of employment in Ukraine can not be addressed in isolation from the global processes on the labor market. The entry of Ukraine into the world market could mitigate the impact of unemployment in it, and



exchange of human resources between Ukraine and other countries can be an effective way of lifting the country to the level of the most developed countries. However, joining the global labor market needs to overcome a kind of “entry barrier” to make Ukrainian workers competitive in the global labor market. But it will have to form a full labor market within the country itself, which will provide the necessary labor mobility. It should be tailored to suit effects of European integration processes in Ukraine. The current political instability in Ukraine may cause an increase in work migration, including domestic. Significant cross-border emigration flows have been present in Ukraine for years [5, p. 259-262].

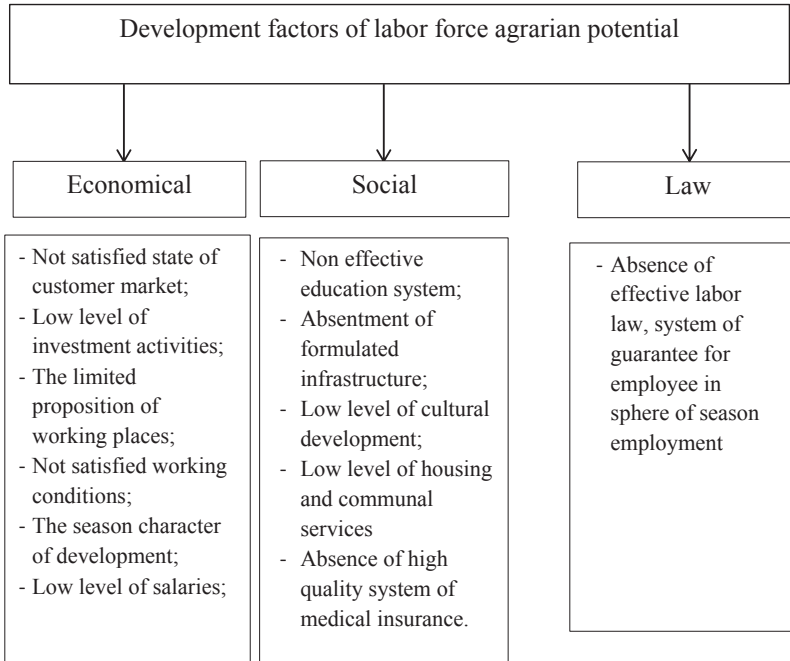
Modern employers in the Ukrainian labor market consider a large number of applicants for a position as the most common problem. According to statistics, one of four graduates adds to his resume false information about professional and work experience, which leads to ineffective work and layoffs.

This happens because of the outdated technology of the job interviewing that has remained largely unchanged for many years, allowing the applicant examine the response before the interview. To overcome the identified problems it is appropriate to consider modern innovative ways of interviewing used in foreign practice. Innovators in developing new methods are companies in so-called Silicon Valley, California. The latest technique is called “Open-Ended Logic-Problem Screening Tools” (outdoor logical selection system tools). The main objective of the method is not to get a response to a question, but observe and analyze the applicant, who is trying to answer. There aren't correct and incorrect answers, the main emphasis is on creativity, innovative thinking, and deep analysis of the solution of the problem. The questions are formulated in such a way that the answers cannot be prepared in advance in order to help employers easily distinguish a professional applicant [4, p. 112].

Having analyzed the data's, the negative tendention of changing labor force f rural territories is obvious. It describes the depravation of quantative and quality characteristics. This situation was formulated by economical social and low reasons (pict. 1) and was created by noneffective and nonsystematic steps of market reforms. And if this item will not be managed, Ukrainian villages can lose the labor force potential.

The main way of creation social – economy transformation in the rural communities must be adapting and improvement of the regulatory

## The current state of development of agricultural enterprises of Vinnytsya...



**Fig. 1. Development factors of labor force agrarian potential**

framework. The government must adopt laws which would promote development of entrepreneurial initiatives, search new perfect mechanism of motivation of employers for creating additional working places for the first working place employment, increasing qualification level of an employee, regulate items of part- time and seasonal employment. Positive influence on creating and formulation of labor potential will promote restoration of cultural establishments, carrying out of cultural and education events, realization of building programs and creating alternative employment

### **3. Economic aspects of rural territory**

Ukraine belongs to one of the most ploughed countries in the world. In the structure of its land, the agricultural territories cover 70.9% of total area, while the arable land accounts for 53.8% (as of January 1, 2010). There are 0.9 hectares of agricultural land per capita in the country

and 0.7 hectares of arable land per capita (in Europe these figures are 0.37 and 0.21 respectively). The tendency to reduce the agricultural land area is maintained primarily by reducing the area under hayfields, pastures and perennial crops. The arable land, on the other hand, has constantly increased again, starting with the year 2007. Such situation is an environmental threat and requires additional control from the part of government regulators. As regards the structure of planted areas, the most noticeable tendency is the increase of areas used for industrial crops (due to the high external demand and positive price conjuncture) and a decrease of land used for forage crops, which is a result of the inefficient state policy in livestock sector development, leading to nonprofitability of the industry and significant diminution of livestock farms. In particular, by comparison with the year 2000, the land area under industrial crops increased 1.6 times, while the area under fodder crops decreased 2.7 times. The livestock sector decline not only undermines the foundations of food security, but does not allow the production of the required amount of organic fertilizers needed for the land. Another feature of Ukrainian rural development is also a high share of agricultural land owned by individual owners. At the end of 2009, it accounted for 37.7%. This affected the high rate of agricultural production by individual farms: in 2010 more than 55% of the commodities were produced by small farms (54.9% of crop production and 55.3% of animal products). Such data indicates the lack of development of alternative economic activities in the rural area, high dependence of most rural residents in the welfare issues on the state policy in the agricultural sector, aiming to offset potential losses from adverse weather conditions, the impact of price factors, formation of needed storage and trade infrastructure for agricultural products. At the same time, such a production structure does not allow for a proper food balance of the country, since most farms are not legal entities, and so their products are not taken into account. This greatly reduces the possibility of influence on the production of necessary agricultural products from the food security standpoint. According to a World Bank research study, agriculture in Ukraine does not fully use its production capacity, producing only 22% of the possible production volume. The growth of external demand for agricultural products contributed to the increase in profitability for the agricultural enterprises (as of 2010 it equalled 20.6%). However, this tendency is not caused by the increase in the efficiency

## The current state of development of agricultural enterprises of Vinnytsya...

of agriculture: almost all types of crop products in 2010 experienced a drop in productivity, which can be explained by the non-compliance with the new production technologies, insufficient use of new machinery, lack of new approaches to production processes, wearing out of fixed assets (the current level is 45.7%), mostly extensive production methods.

The favourable geographical position and the high-quality black soil (Ukraine owns 30% of the world's black soil) are major reasons for investors to contribute to the country's agriculture. However, frequent changes of investment and agricultural legislation, freezing the agricultural land market, do not allow investors to consider agriculture in Ukraine as a reliable long-term investment. An important risk factor for the current state of rural territories development is an incomplete land cadastre and the expected creation of agricultural land market. Lack of information concerning the operating conditions of such market increases the pessimistic moods among market participants, especially residents of rural territories. At present, the studies of rural development processes are complicated by the lack of proper statistical information: rural territories are not an object of statistical observation. In Ukraine, there's only one scientific and analytic publication<sup>4</sup> that provides indicators of rural territories development. However, it comes out only every five years and it is characterized by inconsistencies in statistical data. Such situation forces to search for other sources of adequate and accurate information. One of these sources of statistical information is a statistical observation.

The lack of adequate state regulation of agricultural area and the unavailability of financial resources for its development result in poor efficiency of agricultural production, which is maintained only at the expense of cheap labour and ruthless exploitation of the land. However, this situation cannot last indefinitely. The labour productivity increase, crop efficiency and profitability of the sector are possible only under the condition of using modern production technologies and machinery, application of new approaches to the production process, which are possible only by attracting both domestic and foreign investments. The creation of favourable and stable conditions for investments in the country's agriculture on a mutually beneficial basis for the state, investors and lessors will make full use of the existing potential for agricultural development in Ukraine. The main components of rural territory development policy should include:

- separation of support measures for agriculture and rural territories;
- support for rural territories with low level of agricultural development and adverse weather conditions;
  - proper allocation of state support for the rural territory in order to increase the quality of its arrangements as a sphere of life, work and welfare of the rural inhabitants;
  - development of alternative types of economic activities in the rural territories;
    - regulation of issues concerning the proper use and protection of natural resources in rural territories;
    - motivation of agricultural development and agrarian market by stimulating a substantial increase in the population's purchasing power through higher wages and pensions, as well as replacement of all privileges and discounts with direct state subsidiary payments;
    - development of efficient and transparent system of state support to agriculture, which should be manifested not only by the decrease in the taxation level for this type of economic activity, but also by the use of grants, subsidies or reimbursement of agricultural activities, etc;
    - ensuring equal support to all farmers regardless of their kind, type, size, ownership and management. Such support is currently received mostly by agricultural enterprises, while farmers and household agricultural producers practically don't receive any of such support. At the same time, 50% of crop production and 60% of livestock production in Ukraine is produced by small household farms;
  - gradual convergence of state agricultural support to the WTO and European Union standards;
  - elimination of the existing disparity in prices for industrial products, consumed by agriculture, and prices for agricultural products;
    - approval of minimal guaranteed prices for basic agricultural products based on standardized costs, which should take into account the productivity of land, farm animals and the rate of return from resources used in production, including land;
    - conduction of systematic forecasting of the conjuncture of world agricultural market on the medium and long term;
    - formation of the balance of agricultural products in the country and its regions, determination of the self-sufficiency level and necessary import volumes, etc;

## The current state of development of agricultural enterprises of Vinnytsya...

- creation of incentives for increasing exports of agricultural products, primarily with a high degree of processing;
- creation of favourable and stable conditions for investments in the country's agriculture on a mutually beneficial basis for the state, investors and lessors;
- settlement on the issue of adequate state income distribution between sectors of the economy, in which the main recipients of income would be the producers, including the farmers, who would be able to direct the earned money to the stimulation of expanded reproduction processes [5, p. 260-261].

### **4. The state of agricultural development of Vinnytsya Region**

Formulating of government regional strategy need more discovering of priority direction and ways for getting dynamic, balanced social – economic development of the region, increasing standard of living, insuring compliance of government guarantee of social standards for all the citizens. In general, managing the tasks described above must be made by efficient actions for radical increasing of effective usage of all the resources in Vinnytsya region.

Vinnytsya region is an agricultural and industrial region of Ukraine, where the quantity of agricultural goods and manufacturing industries makes more than 50% of gross production in the area. The economic development of the region for a long perspective period is related to these branches and for their functioning, productive resource base, that mostly can be presented by regional agricultural entrepreneurs is needed.

Vinnitsya region make 4,4% territory of Ukraine (2649,2 thousand hectares). By functional using the land fund of the region is divided into:

Agricultural land (2017,2 thousand hectares) 76,1% from the general area.

– Forest and forestry areas makes 377,7 thousand hectares (14,3%from all the area).

– Built land 106,2 thousand hectares (4,0%).

– Swamp land 29, 5 thousand hectares (1,1%).

– Open lands without plants or with minor (little) plants covering of 25,6 thousand hectares (1,0%).

– Waters – 43,2 thousand hectares (1,6 % from all area).

Disturbance of territories of the region makes 65,3%. The highest percentage of disturbance is in Bershadskyi (74,6%), Chernivetskyi (74%), Lypovetskyi (77,6%), Teplytskyi (68,1%) districts.

The most popular soil in the region is airborne soil. It makes 1214,3 thousand hectares (65%) and about 90% of it is cultivated in the north – eastern part of Vinnitsya region there is mostly black soil, that covers 487,3 thousand hectares, e 93% of which is cultivated.

In the region 6,3 % of gross output of agricultural production of Ukraine is produced.

In 2016 more than 9,8 thousand of people were engaged (in small agricultural enterprises including farms), that makes 23,3% from the total number of workers employed in agriculture of the region.

One of the main features of livestock breeding is that along with production there is reproduction of the stock of the main herd. Discarded livestock of the main herd is included into the amount of grown life weight of animals. In table 3 there are dates of plant-growing figures of agricultural enterprises of Vinnytsya Region.

The basic industry of Vinnytsya agricultural industry is plant growing. The most important is growing of: wheat (17%), barley (near 14%), sugar beets (13%) and corn. The agricultural manufactures of Vinnitsya region provide raw materials for processing of other enterprises for such branches as: 13 alcoholic factories, 26 dairy factories, 39 sugar plants, 37 canneries, 6 meat – processing plants, 37 bakeries and small private bakeries, 1 confectionary factory and 1 oil complex.

For the last 10 years all the categories of domestic economy have increases agricultural production volumes from 4,9 to 77,2 UAH, that is 2,3 billion UAH (52%), including plant growing production which makes 89,4%. In the region 6,3 % of gross output of agricultural production of Ukraine is produced.

It is worth to note, that during 2007-2016 years there was oscillation of indicators of stock-breeding and plant-growing production in Vinnytsya Region, in particular, during 2013-2014, there was rapid increase in the index of agricultural production was 6,5%

According to dates of Table 3 during 2010-2013 in the agricultural production complex there was increasing of such seed areas as crops, legumes, sunflowers, open-ground vegetables which stimulates increasing of the production volumes of these agricultural crops. But it is worth to note that n spite of the shortening of seed area of sugar-beets, the yield capacity of sugar beets increased in 2010-2013 by 217 centneres per hectare, that is a positive tendency.

Table 2  
**Information about value of crop production and animal husbandry**  
 Index of agricultural production in % to the previous year

	Index of agricultural production in % to the previous year										
	In farms category					Including					
	agricultural products	From it		Agricultural enterprises		agricultural products	From it		agricultural products	Households	
Crop production		Animal husbandry	Crop production	Animal husbandry	Crop production		Animal husbandry	Crop production		Animal husbandry	
2006	105,8	106,6	104,0	119,8	121,1	113,9	96,8	93,4	101,4		
2007	93,1	89,7	100,3	96,2	94,8	103,0	90,7	83,5	99,5		
2008	125,5	139,2	100,4	143,1	153,1	97,9	110,8	120,2	101,2		
2009	97,0	95,7	100,2	94,7	93,4	103,4	99,4	99,6	99,2		
2010	100,0	100,3	99,4	101,0	100,6	104,1	99,0	99,9	98,0		
2011	119,6	127,3	100,6	126,2	129,7	105,1	112,6	123,5	99,1		
2012	96,2	91,8	109,7	95,4	90,2	134,6	97,2	94,7	101,1		
2013	123,3	120,8	129,8	136,8	25,3	195,0	107,8	113,5	99,6		
2014	111,0	109,6	114,6	116,0	109,3	137,7	103,8	110,0	93,6		
2015	91,8	82,6	113,1	88,8	77,7	117,6	96,8	91,3	107,2		
2016	117,0	126,1	101,6	126,1	138,6	104,6	103,3	107,1	97,2		



**Summary data on the state of crop production  
at the agroindustrial complexes of Vinnitsya region  
during 2006-2016 years**

	Crop area of the main crops					
	Grain and leguminous crops	Sugar beet (factory)	sunflower	potato	Open soil vegetables	Forage crops
2007	771,0	101,6	74,1	109,9	15,5	206,0
2008	838,6	62,6	119,8	102,2	15,9	190,9
2009	863,9	48,6	109,1	101,1	15,5	178,1
2010	863,3	76,2	165,3	101,7	16,0	171,1
2011	877,8	74,0	150,0	106,4	19,9	166,4
2012	869,1	84,0	162,0	108,4	20,5	167,1
2013	889,3	64,7	167,9	105,1	20,8	156,6
2014	839,1	61,0	193,8	105,5	20,6	144,8
2015	827,0	51,8	187,5	107,5	21,5	142,0
2016	869,3	54,8	267,6	108,1	21,5	137,2
	Yield of basic crops per 1 hectare of harvesting are					
2007	23,7	296	14,1	104	154	95,3
2008	41,0	360	18,3	152	201	74,9
2009	37,0	290	20,9	154	197	97,3
2010	36,9	327	16,8	155	196	87,1
2011	49,3	418	19,5	175	198	112,9
2012	43,0	350	22,0	160	179	109,7
2013	55,7	400	30,4	164	232	119,2
2014	60,7	500	27,5	189	221	101,9
2015	46,0	398	26,9	171	211	121,5
2016	64,2	482	30,7	171	220	125,0

It is worth to note that according to the annual structural analysis, carried out by specialists of the Main Development of Statistics in Vinnitsya Region, during 2016 about a quarter of the enterprises – juridical persons of the region were agricultural enterprises, 90% of which were engaged in plant-growing, 4,8% – in stock breeding, 2,2% were engaged in mixed farming and 2,3% of enterprises provided service in plant-growing and stock-breeding more than 42,0 thousand people of the Region are engaged in agricultural, which makes 25,2% from the total number of population engaged in enterprises of all kinds of economic activity. As for the enterprise

## The current state of development of agricultural enterprises of Vinnytsya...

sizes, almost 90,0% of agricultural enterprises are small enterprises, 4,0% are big enterprises, the others are medium-sized enterprises [3, p. 58-59].

To sum up the analyses of the financial results of agricultural activity of enterprises of Vinnytsya Region should that the most favorable were 2012-2013 years, but in 2008 y there was a negative process which was related to the crisis, that was marked on all the parts of domestic agricultural production. Instead of it, it is worth to note the increasing of growing of quantity of profitable companies in the total structure of enterprises of Vinnytsya Region. During 2008-2011 the indicator value was increased by 14,31%.

The profitability of total activity in agriculture in 2016 was about 20%, operational was 25%; there has been a tendency for substantial increasing in these indicators for the last 10 years. Production of livestock production was unprofitable until the last time.

The quality of unprofitable enterprises in 2016 reached its maximum point for the last 10 years namely 85,71% from the total quality. Similar tendency was traced in 2008 and 2010, namely 86,71%.

In 2016, financial-economic status of the enterprises in agrarian-productivity complex in Vinnytsya region was significantly deteriorated. In particular, the amount of not profit comparatively with 2007 year decreased by 1358 thousand, that makes 46% the amount of profitable enterprises decreased to level of profitability of total activity decreased to 12,7%.

### **Conclusions**

Firstly, labour efficiency runup per unit of skilled labour resource availability of the economy in the group of researched developed countries do not represent the trends of decrease in long term period.

Lower flexibility of production growth pace at the change of the labour force availability for the group of post socialism countries circumstantially proves the second form the original hypothesis performance: countries taking part in the global labour division as users not creators of intellectual products face additional barriers in transforming better skilled labour availability in increase of economic growth pace.

Summing up the results of conducted research, clear cyclist in the dynamics of financial results of activity and the level of profitability of agricultural enterprises in Vinnytsya Region for the last years can be determined. That can be explained first of all by appropriate changes in

volumes of gross production and valeted with them market conditions (offer and price for products). In development of agricultural enterprises in Vinnytsya Region, the positive tendency to increase the volume of sold products (both work and services) and improvement of financial results of activity can be observed. In particular, in 2016 the volume of sold products (both work and services) increased comparing with the previous year, which caused the improvement of financial results of the activity of agricultural enterprises.

**References:**

1. Bohynia, D. and Yakuba, K. (2011). "Ukrainian village dies: national security", *Economics of Ukraine*, no. 4, pp. 56–66.
2. Koval L. (2014). Workforce of agricultural sector of Ukraine. *Scientific bulletin of NLTU of Ukraine*, 24.6: 223-228.
3. Lopatiuk R. (2013). Current state of development of agricultural complex of Vinnutsya Refion. *Agrarian world*, 6: 56-59.
4. Pivtorak M. (2014). The problem of employment in the agricultural sector of economy in Ukraine. *Suitainable development of econmy*, 4: 112-116.
5. Prytula K. & Krupin V. (2015). Rural Realities n Ukraine. *Agricultural Economics and Rural Development*, 2: 255-266.
6. Yelets O., & Garmash I. (2017). Workforce of enterprise and their approaches and assessments. *Economics and business management*, 9: 418-422.
7. Derzhavna sluzhba statystyky Ukrainy (2016) *Sotsialni indykatory rivnia zhyttia naselennia [Social indicators of living]*, Kyiv: Informatsiino-analitychne ahentstvo.