

**Olha Samoshkina, Candidate of Economic Sciences (Ph.D.),
Senior Research Officer of the Department of Financial-Credit
and Tax Policy**
*National Scientific Center «Institute of Agrarian Economics»
Kyiv, Ukraine*

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MODIFICATION OF BUDGETARY SUPPORT FOR AGROINDUSTRIAL PRODUCERS IN THE CONDITIONS OF POST-WAR DEVELOPMENT OF UKRAINE'S ECONOMY

Budgetary support for agro-industrial producers is an effective tool for regulating the dynamics of the country's agro-industrial production and rationalizing its sectoral, organizational, territorial structure. Effective budgetary support of national agro-industrial producers is able to influence and adjust the level of financial security of their production needs, indicators of profitability, productivity, competitiveness of their activities which is extremely relevant in the conditions of the challenges of wartime in order to preserve/increase their production and export activity in the context of maintaining the stability of the economy of Ukraine, the successful integration of the industry into the European and international markets of agro-food products, the reform of production processes according to «green», inclusive, sustainable standards of EU agro-industrial production.

Budgetary support of agro-industrial producers is carried out on the basis of program-targeted budget planning, the essence of which is the transition from planning sectoral budget expenditures to planning sectoral results from spending budget funds. The processes of planning, realization and control over the use of budget expenditures are carried out in section of budget programs, which are developed and implemented by managers of industry's budget funds in the person of state administration responsible for the formation and implementation of the agricultural policy and contain an assessment of the expected industry results from the implementation of program measures within the budget programs. In recent years, the budget process of Ukraine has undergone a transition from annual budget planning to a system of medium-term budget management, which involves the implementation of processes for planning budget expenditures of agrarian direction in section of budget programs for a three-year perspective as a part of the implementation of the approved strategic priorities of the country's agrarian and rural development [1].

Budgetary support of agro-industrial producers is provided in the form of *irreversible budgetary support* through the provision of budget subsidies,

grants, compensations, reimbursements, other special payments, taking into account the criteria of socio-economic priority and efficiency of their business activities, as well as *budget lending* for the implementation and diversification of production activities, updating the material and technical base in order to increase the production volumes of competitive agricultural products, as well as to support priority industry investment projects.

According to the results of the study of the peculiarities of the dynamics of the volume of budgetary support of Ukrainian agro-industrial producers in the pre-war and war periods, the presence of long-term past and current trends towards its steady decrease in relation to the gross output of agricultural products and insufficient volumes (less than 1% respectively) for effective support of financial stability and competitiveness of national agricultural producers should be noted, especially in the conditions of the need for their integration into the European markets of agri-food products. In this context, it should be noted that advanced foreign experience indicates the active use of the tool of direct budget support for agro-industrial producers, in particular, in EU countries, budget subsidies to agricultural producers make up to 20% of the gross industry output, and in the USA the annual level of budget subsidies to the industry is about 10% of the volume agricultural's production.

The analysis of the trends of structural changes in the budgetary support of agro-industrial producers in the pre-war period indicates an insufficient level of systematicity, consistency and predictability of planning its directions, their relationship with the strategic priorities of the country's agrarian development, imperfection and an insufficient level of transparency of the order and mechanisms of its distribution, a low level of support for the segment of micro and small enterprises in the form of farming and personal peasant households.

Budgetary lending is an effective tool for state regulation of the country's economic, regional and infrastructural development, stimulation of its sectoral priorities, which, compared to budget financing, is characterized by a higher level of economy, effectiveness and efficiency of the use of budget resources, responsibility of managers of budget funds and borrowers, taking into account the principles of payment, term, target use and return of borrowed funds. The study of the dynamics of budgetary lending of Ukrainian agricultural producers in the pre-war period shows the significant limitation of its use as an effective tool for the implementation of the strategic goals of the state's agrarian policy (less than 1% of the annual state financial support for the development of the industry), the insufficiency of its connection with the priorities of the country's agrarian and rural development (only credit support for farms), planning of budget lending to the industry

according to the residual principle, low level of predictability, systematicity and consistency of providing credit budget support to agricultural producers.

Challenges of the military aggression of the Russian Federation against Ukraine have led to a further decrease in the level and post-war transformation of the structure of budgetary support for domestic agro-industrial producers in the direction of reducing the number of directions with a simultaneous increase in the importance of the criterion of the expected socio-economic effect from its provision, in particular stimulating economic activity in the affected territories, supporting employment and incomes of the population, filling the revenue part of the state and local budgets, etc. The dynamic transition of Ukraine to the functioning of the wartime budget has led to the post-war modification of the mechanism of budgetary support for agro-industrial producers in the following main directions [2]:

- introduction of the instrument of state grant support in priority directions for the state (creation or development of horticulture, berry growing and viticulture, greenhouse farming, processing enterprises) in case of achieving significant socio-economic results (creating new jobs, helping to fill the revenue part of the budget through payment taxes in the amount of received grants, activation of business activities in territories affected by hostilities to ensure their reconstruction, etc.);

- priority budgetary support of farming and personal peasant households for the reconstruction and restoration of sustainable development of rural areas, in particular through the provision of irreversible financial support per unit of agricultural land and for the maintenance of cattle, as well as the restoration of budgetary lending to farming;

- active budgetary stimulation of the development of credit support for agricultural producers and their preferential lending with the participation of the state, in particular through the launch of the Fund for partial guarantee of loans in agriculture, state programs «Affordable loans 5-7-9%», «Affordable financial leasing 5-7-9%», «Available factoring» and the spread of their action in the territories affected by and close to hostilities;

- differentiation of the mechanisms and volumes of budgetary support for agricultural producers of territories depending on the coverage of military actions, the level of destruction and losses incurred;

- digitization of the processes of providing budgetary support to agricultural producers through the digital platform of the State Agrarian Register of Ukraine, the Diya portal.

The directions of budgetary support for Ukrainian agro-industrial producers in 2024 are shown in Figure 1.

Urgent needs to effectively overcome military and European integration challenges for the sustainable development of national agro-industrial

production require the redirection of the priorities of the budgetary policy of supporting the industry, first of all, to the goals of preserving the positive dynamics of the growth of production and export activity, accelerating recovery and reconstruction in the affected territories, guaranteeing the food security of the country and its regions. One of the top strategic priorities of budgetary support for the development of the industry in the context of accelerating European integration processes is also the dynamic transformation of the institutional foundations of the functioning of the domestic agricultural sector in accordance with the principles of the Common Agricultural Policy of the EU and stimulating the implementation of key sectoral reforms in order to accelerate the transition to European standards of agro-industrial production in terms of compliance with «green» initiatives course, requirements for the safety and quality of agro-food products, stimulation of the inclusive and digital components of the development of the industry [5].

BUDGETARY SUPPORT OF AGRICULTURAL PRODUCERS OF UKRAINE IN 2024			
9 billion UAH	Partial compensation by the state of interest rates and provision of state guarantees within the framework of preferential lending under the State programs "Affordable loans 5-7-9%", "Affordable financial leasing 5-7-9%"	200 million UAH	Financial support for agricultural producers who use reclaimed land and water user organizations
3 billion UAH	State compensation of costs for humanitarian demining of agricultural lands	80 million UAH	Budget lending to farming for updating the material and technical base for increasing the production of competitive agricultural products
1,370 billion UAH	Provision of non-refundable grants for the creation or development of horticulture, berry growing and viticulture, greenhouse farming, processing enterprises	5 million UAH	Financial support of family farms through the mechanism of additional payment of the single social contribution
1 billion UAH	Partial compensation of the cost of agricultural machinery and equipment of domestic production	Other state support programs for manufacturers: 3 billion UAH - state support for the implementation of investment projects; 3 billion UAH - support of domestic demand for domestic goods and services; until 2 billion UAH - provision of state guarantees of compensation for damage caused as a result of armed aggression of the Russian Federation to owners of seagoing vessels and inland navigation vessels; 1 billion UAH - state stimulation of industrial parks (food industry, processing of agricultural products, ecological fertilizers, etc.).	
796 million UAH	Support for farming and other producers of agricultural products through the provision of a separate budget subsidy for 1 hectare of agricultural land for the implementation of agricultural activities in territories where hostilities and temporary occupation have ended		

Figure 1. Budgetary support of agricultural producers of Ukraine in 2024

Source: based on the data [3; 4]

The restoration of medium-term planning of budget support programs for agro-industrial producers will require preliminary substantiation of the priority areas of development and reform of domestic agro-industrial production, the establishment of relevant strategic goals and tasks with the specification of indicators of their achievement in the medium-term perspective, as well as an assessment of the amount of financial resources, including budgetary, necessary to achieve defined goals, tasks and results [6].

Therefore, the issues of scientific substantiation of the reset of priority directions and mechanisms of budgetary support for agro-industrial producers of Ukraine, substantiation of its optimal volume in general and by directions of use, taking into account the European standards for its provision are still actual and need to be based on the assessment of its impact on the indicators of the functioning of agro-industrial production branches, the level of financial stability and competitiveness of domestic agricultural producers, as well as indicators of socio-economic development of rural areas.

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