

**CORPORATE DEVELOPMENT  
OF UKRAINE'S AGRO-INDUSTRIAL PRODUCTION  
UNDER WARTIME CHALLENGES:  
EVOLUTION, TRENDS AND PROSPECTS**

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**Abstract.** The article presents a comprehensive study of the evolution, essence, and contemporary trends of corporate development in Ukraine's agro-industrial production, taking into account the impact of wartime conditions. *The purpose* of the study is to reveal the genesis of corporate development in the agricultural sector and to determine its specific features under conditions of systemic transformation and external shocks. The research objectives include the analysis of the stages of corporate relations formation – from privatization and the establishment of joint-stock companies to the emergence of large vertically integrated agroholdings; the identification of sectoral specifics of corporate development determined by land dependence, production seasonality, risk diversification, and the implementation of vertical integration following the “from field to fork” model. *Methodology* of the study is based on systemic, comparative, and statistical methods, which made it possible to analyze the dynamics of agroholding development indicators (number of enterprises, land area, and share in the total agricultural land fund) for the period 2007–2024. The study also uses the historical and institutional approaches to trace the evolution of corporate integration processes in the agro-industrial complex. *Results* of the research show that the war has become a catalyst for deep transformation in the corporate agricultural sector: the initial reduction in land banks and enterprises was followed by adaptive growth in 2023–2024. Despite the loss of territories and logistical disruptions, major holdings such as MHP, Nibulon, Astarta-Kyiv, and Kernel have maintained their strategic role in ensuring food security and have actively introduced innovative, digital, and ESG-based management approaches. The transition from an extensive

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to an intensive development model focused on efficiency, technology, and sustainability has been accelerated. *Practical implications.* The study proposes a classification of the main forms of corporate associations in the agro-industrial complex – corporations, holdings, concerns, associations, cooperatives, and financial-agro-industrial groups – and provides examples of their implementation in Ukraine. It emphasizes the importance of a balanced coexistence between large agroholdings and small cooperatives as a prerequisite for sustainable sectoral development. *Value/originality.* The scientific novelty of the research lies in its integrated approach to analyzing corporate development – combining historical evolution, sectoral specificity, and organizational diversity. Effective corporate development, grounded in social responsibility, environmental balance, and inclusive rural growth, is defined as a foundation for enhancing the competitiveness and resilience of Ukraine's agro-industrial production.

### 1. Introduction

Market transformations and the globalization of the agricultural sector have led to the emergence of new forms of business organization focused on resource concentration and production scaling. In agro-industrial production, there is a gradual transition from small farming enterprises to large corporate structures capable of ensuring innovative development and access to global markets. At the same time, issues of balanced development are becoming increasingly acute: the strengthening of corporate agro-formations creates social challenges in rural areas and requires adherence to the principles of sustainability and effective management. This problem is particularly relevant for Ukraine under the conditions of the land market liberalization and the consequences of the full-scale war, where agricultural enterprises are forced to seek new ways to sustain production and restore logistics. Therefore, the study of the essence and specific features of corporate development in the agro-industrial complex is essential for developing scientifically grounded approaches to enhancing the competitiveness and resilience of the agricultural sector.

The issue of corporate development in the agricultural sector has attracted considerable attention from researchers in recent years. Ukrainian economists have been studying the trends in the formation of agroholdings and integrated structures, as well as their impact on productivity and rural

communities. In particular, T. Vlasenko notes the emergence in Ukraine of large agro-industrial associations of a corporate type and their effectiveness in concentrating capital, labor resources, and infrastructure [4]. The researcher examines the features, trends, and functioning of corporate-type enterprises such as agroholdings under modern economic conditions. Her study includes an assessment of land fund utilization, an analysis of the distribution of agricultural enterprises by land area, and an evaluation of the dynamics in the number of agricultural enterprises from 2008 to 2021. She also analyzes the dynamics of sown areas of agricultural crops and identifies the top 10 agroholdings in the country. Accordingly, the author provides an analysis of both the positive and negative aspects of agroholding operations. Overall, her research offers a definition of the concept of a “corporation” within the agricultural sector, examines the dynamics of the number of agricultural enterprises, and demonstrates that agroholdings have become the most widespread form of large-scale agricultural entities. The author emphasizes that their main advantage lies in achieving a synergistic effect through the integration of various types of activities.

O.M. Nechyporenko and P.V. Nemchuk conducted a detailed analysis of the development trends of corporate agricultural formations in Ukraine and the specific features of their management [8]. It was established that the share of corporately integrated enterprises (corporations, concerns, holdings, associations) accounts for about 10.5% of the total number of agricultural enterprises, yet they cultivate more than 20% of the country’s agricultural land. Between 2007 and 2020, the number of such corporate entities increased from 31 to 100, while their total land bank expanded to 8.7 million hectares [8]. The researchers argue that agroholdings are currently the most competitive form of agricultural production, significantly strengthening Ukraine’s export potential. At the same time, they note a number of negative consequences, including growing social tension in rural areas, financial outflows from rural communities, the displacement of small farmers, monocultural specialization, and environmental risks.

These conclusions are consistent with the findings of foreign experts. In particular, I. Fertő and co-authors demonstrated, based on data from 17 Central and Eastern European countries, that large corporate farms exhibit higher viability due to stronger corporate governance (in the form

of joint-stock companies), higher ownership concentration, and better access to capital [20]. Their study examined the patterns of survival of corporate (large-scale agricultural) farms in post-socialist countries of Central and Eastern Europe during the transition from centrally planned to market economies. Using data from 2007–2019 across 17 countries in the region, the researchers analyzed the impact of a complex set of factors on the viability of corporate farms – internal (legal form, ownership structure, size, age, financial indicators), sectoral (technological level, state support, structure of agricultural production), national (resource endowment, climatic conditions, level of economic development), and external (macroeconomic stability, access to finance, trade openness). To assess the probability of survival, the authors employed the Accelerated Failure Time (AFT) model, the Nelson–Aalen and Kaplan–Meier estimators, as well as a two-level mixed Weibull model. The results revealed significant cross-country differences in the survival rates of corporate farms, confirming the importance of legal form, ownership structure, and financial performance, as well as a nonlinear relationship between farm size, age, and resilience. The study proved that favorable resource endowment and a stable macroeconomic environment enhance the competitiveness and long-term viability of corporate agricultural enterprises – a factor of key importance for food security and the structural transformation of the agricultural sector [20].

Scientific publications also emphasize the historical development of corporate relations in the agro-industrial complex (AIC). In his research, O.V. Kovalenko revealed the stages of formation of corporately integrated agricultural entities in Ukraine, beginning with the privatization of the 1990s and continuing to the present day [9]. It is shown that the corporatization process of agricultural enterprises went through several phases: from the transformation of former state associations into joint-stock companies, through mass privatization and share concentration, to the emergence of large vertically integrated holdings at the turn of the 2000s (a striking example is PJSC “Myronivsky Hliboproduct,” which united 19 former collective farms). Since 2005, there has been a transition toward more legal and transparent corporate governance procedures and the attraction of foreign investment (a typical example is LLC JV “Nibulon,”\*\* which includes foreign capital) [9].

It is worth noting that some scholars draw attention to alternative forms of integration as a means of strengthening small producers. Thus, M.Y. Malik and S.M. Kvasha argue that for small agricultural producers, the optimal form of corporate integration is agricultural service cooperation, which combines the economic benefits of joint entrepreneurship with the simultaneous social protection of its participants [16].

The experience of developed countries confirms the role of cooperatives in enhancing the competitiveness of small farmers. However, in Ukraine, the cooperative movement is only beginning to develop, particularly after the adoption of the new Law of Ukraine “On Agricultural Cooperation” in 2020 [12].

Thus, the analysis of recent studies demonstrates the dual nature of the impact of corporate development in the agricultural sector. On the one hand, large corporate structures ensure innovation, economies of scale, and the integration of production with processing and sales, which enhances economic performance. On the other hand, the increasing corporate concentration generates risks of market monopolization, as well as social and environmental challenges. This necessitates further research aimed at identifying an optimal development model that combines economic efficiency with the principles of sustainability and equitable access to resources.

The purpose of this study is to provide a theoretical justification of the essence and evolution of the concept of corporate development in agro-industrial production, to identify the specific features of corporate development in agriculture, and to systematize the main forms of corporate associations in the agro-industrial complex.

In accordance with this goal, the following objectives are set:

- to trace the stages of evolution of approaches to corporate development and corporate integration in the agricultural sector;
- to characterize the distinctive features of corporate development in agriculture compared to other sectors of the economy;
- to classify the forms of corporate associations in the agro-industrial complex and analyze their key characteristics;
- to summarize the practical experience of Ukrainian agricultural corporations (MHP, Nibulon, Astarta-Kyiv, etc.) in the context of the studied issue;

– to formulate conclusions regarding the role of corporate development in ensuring the competitiveness and sustainability of agro-industrial production, as well as to outline promising directions for further research.

The methodological basis of the study rests on the principles of systemic, evolutionary, and institutional approaches, which made it possible to comprehensively analyze the essence and transformation of corporate development in agro-industrial production. The research employs a combination of dialectical, abstract-logical, historical, and comparative methods, ensuring the consistency and scientific validity of conclusions. The logic of presenting the research material follows a consistent and gradual progression: theoretical foundations – conceptualization of corporate development and integration in the agro-industrial complex; evolutionary dimension – analysis of historical stages of corporatization and formation of agro-holdings in Ukraine; comparative analysis – identification of sectoral specificities of corporate development in agriculture; structural typology – classification and characterization of the main forms of corporate associations; practical dimension – generalization of the experience of Ukrainian agro-corporations; conclusive synthesis – formulation of theoretical and practical conclusions and determination of further research directions.

### **2. The stages of evolution of approaches to corporate development and corporate integration in the agricultural sector**

The concept of corporate development in economic literature has undergone significant evolution. Initially, corporate development was associated with the emergence and growth of joint-stock companies as a form of business organization. In classical works on management (A. Chandler, P. Drucker), it was emphasized that the rise of corporations made it possible to consolidate substantial resources for the implementation of large-scale projects, laying the foundation for modern industrial production. In the agricultural sector, small family farms and collective forms of organization (kolkhozes and sovkhozes) predominated for a long time. However, with the transition to a market economy, the need arose for new corporate structures capable of ensuring efficiency, competitiveness, and sustainable development.

According to O.V. Kovalenko, the development of corporate relations in Ukraine's agro-industrial complex (AIC) can be divided into several stages.

The first stage (late 1980s – early 1990s) was preparatory, when state agricultural associations began transforming into market-oriented structures. During this period, the activities of AIC enterprises became increasingly diversified, laying the foundation for the economic independence of business entities.

The second stage (1992–1997) was characterized by mass privatization and the emergence of new entrepreneurial structures in rural areas. Thousands of small collective farms were privatized, and numerous private farms were established. At the same time, commercial distribution networks and agri-market infrastructure began to develop.

The third stage (1998–2004) marked the period of post-privatization ownership concentration. Shares scattered among small shareholders were being consolidated, and capital inflows from industry into the agricultural sector led to the formation of the first large agro-industrial corporations. It was during this time that the first agroholdings appeared – for instance, by 2003–2004, PJSC “Myronivsky Hliboproduct” (MHP) had brought 19 restructured former collective farms under its control, becoming a vertically integrated producer of poultry and grain.

The fourth stage (from 2005 to the present) represents the institutionalization of corporate development. Large agricultural corporations began implementing modern corporate governance practices, increasingly operating within the legal framework and attracting external investments and loans. At this stage, Ukrainian agribusiness integrated into global capital markets: a number of agricultural holdings received financing from international financial institutions and foreign companies. A typical example is Nibulon, which became a joint venture with European capital participation and developed an extensive grain export infrastructure. This period is also characterized by leading agroholdings entering IPOs, issuing Eurobonds, and increasing the transparency of their activities [9].

In addition to the stages mentioned above, recent years have witnessed an interesting phenomenon – the emergence of “mini-corporations” within the small agribusiness sector. These new types of integrated formations combine the features of a family farm and a multi-profile company. Typically, they operate within a single community and consist of several small enterprises owned by one group of proprietors who simultaneously act as managers.

For instance, a family farming enterprise may develop several business lines (crop production, livestock breeding, processing, and agricultural trade) and establish subsidiaries for each type of activity, bringing them together under unified management. As a result, a small corporate structure emerges that retains a family-based governance model while gaining the benefits of diversification. Experts note that the rise of such small multifunctional corporations is a response to challenging economic conditions, as small entrepreneurs consolidate efforts to survive in a competitive environment. Their development prospects are twofold: either they will eventually grow into medium-sized and large corporations, or they will be forced to specialize and form alliances with larger players to gain access to resources.

Thus, the concept of corporate development in agricultural production has evolved from the simple adoption of joint-stock forms to complex multi-level systems. In the early 1990s, corporate development mainly involved privatization and the establishment of joint-stock companies on the basis of former collective farms (corporatization). Today, however, it encompasses the formation of diversified business groups that unite dozens or even hundreds of legal entities, integrating production, processing, logistics, finance, and even IT services.

This evolution has been accompanied by changes in the legislative framework (advancement of corporate law, land market reform, and cooperative legislation) and in conceptual approaches to agribusiness management (growing awareness of sustainable development, corporate social responsibility, and stakeholder-oriented management). The key challenge remains to balance this evolution – ensuring that corporate structures serve as drivers of economic growth and innovation without fostering excessive market monopolization or deepening social inequality in rural areas.

### **3. Specificity of corporate development in agriculture**

Corporate development in agro-industrial production has a number of specific features that distinguish it from other sectors of the economy. Agriculture is a unique field where production and natural factors intersect, and its final output is critically important for food security. The key factors determining the specificity of corporate development in the agro-industrial complex (AIC) are outlined below.



1. Dependence on land and resources. Land is the primary means of production in agriculture; therefore, corporate growth is often linked to the expansion of land holdings through lease agreements or land acquisitions. Large agricultural corporations in Ukraine have primarily developed by accumulating lease rights over tens or even hundreds of thousands of hectares of farmland. According to research data, corporate agricultural entities lease, on average, 41.6 thousand hectares of land per enterprise [8]. This scale enables them to achieve economies of scale, yet it also generates risks of conflicts with local communities and dependence on land lease terms and market conditions. The absence of a fully functioning agricultural land market in Ukraine until recently led to a model in which corporations invested mainly in leased land. However, after the land market was opened in 2021, the situation has begun to change: large companies are starting to purchase land plots (within legally established limits), which may further consolidate their market positions.

2. Seasonality and Natural Risks. The agricultural business is highly dependent on weather conditions and seasonal production cycles. Corporate structures in agriculture must develop specific risk management strategies – diversifying the geographical distribution of their farms (locating fields in different climatic zones), insuring crops, and creating reserve funds. Moreover, seasonality leads to uneven revenue flows and fluctuating capacity utilization. Large agroholdings seek to smooth these fluctuations through vertical integration - for example, combining crop production (grain, oilseeds) with livestock or processing activities to ensure a year-round production cycle. For instance, MHP Holding integrated grain production (for its own feed mills) with poultry farming and meat processing, achieving continuous operation throughout the year. Such integration reduces dependence on a single production cycle and allows more efficient use of personnel and infrastructure.

3. Vertical Integration of the “From Field to Table” Value Chain. One of the defining features of corporate development in the agricultural sector is the pursuit of a closed production cycle – from raw material cultivation to deep processing and final product distribution. Many Ukrainian agricultural corporations have adopted a vertical integration strategy, establishing their own processing plants, elevators, logistics enterprises, and export divisions. For example, the company Nibulon built an extensive system of elevators

along the Dnipro River and its own fleet of barges for grain transportation, becoming an integrated global grain trader. Such initiatives ensure quality and cost control at all stages, increase value added, and reduce dependence on intermediaries. Vertical integration also allows large corporations to quickly adapt to market changes by flexibly adjusting their production structure to current demand (grain, oil, meat, etc.). Research confirms that this strategy currently provides Ukrainian agroholdings with competitive advantages in global grain and food markets [8].

4. Economies of Scale and Innovativeness. Corporate development in agricultural production significantly enhances the potential for innovation implementation. Large companies have access to substantial financial resources and can invest in modern equipment, IT solutions (precision farming systems, drones, sensors), as well as advanced technologies for soil cultivation and product storage. According to estimates, agroholdings use the economies of scale effect to rapidly disseminate innovations across vast areas, thereby improving overall operational productivity [7].

For example, the company Astarta-Kyiv introduced the AgriChain digital agricultural management platform, which enabled the optimization of resource use across thousands of hectares and reduced production costs. Organizationally, large firms establish specialized Research and Development (R&D) departments and cooperate with scientific institutions – opportunities that are often unavailable to small farmers.

The innovation factor is one of the key drivers behind the success of corporate agricultural structures [5]. However, it also contributes to the technological gap between market leaders and small farms, which lack the resources to adopt costly advanced technologies.

5. Corporate Governance and Access to Capital. According to research by I. Fertő, S. Bojnec, I. Iwasaki, and Y. Shida, the organizational form of a business significantly affects its resilience: agricultural firms structured as joint-stock companies (corporations) demonstrate higher survival rates than cooperatives or limited liability companies (LLCs), owing to their greater transparency in governance and ability to attract capital through share issuance [20].

In the agricultural sector, this means that corporatized enterprises can invest in development and obtain loans at lower interest rates, as they maintain higher levels of financial transparency and possess sufficient

assets for collateral. In Ukraine, several major agricultural companies have become public entities – including MHP, Kernel, and Astarta-Kyiv, which have placed their shares or Eurobonds on international stock exchanges, thereby attracting millions of dollars in investment into the industry.

This situation stands in sharp contrast to small farmers, whose financing is limited to personal funds or bank loans secured by land. Thus, corporate development opens access to global financial capital, but at the same time entails accountability to investors and the necessity to comply with international standards – including financial reporting, environmental regulations, and corporate ethics.

Among the positive specific features, it should also be noted that corporations are more capable of withstanding crisis periods due to diversification and the presence of a financial buffer. As demonstrated by the experience of the 2020 pandemic and the war in Ukraine, large agricultural enterprises have shown greater adaptability to supply chain disruptions and currency fluctuations than small farms.

6. Socio-Economic Consequences and Responsibility. The specificity of corporate development in the agricultural sphere is also reflected in its social impact. Large agricultural companies often become community-forming enterprises for rural areas, serving as the main employers and economic anchors in local communities. The welfare of thousands of rural landowners and workers largely depends on their policies.

O. Nechyporenko and P. Nemchuk emphasize that the rapid growth of agroholdings is frequently accompanied by the outflow of financial resources from rural areas and the narrowing of opportunities for alternative forms of entrepreneurship [8]. This imposes on the corporate sector a responsibility to demonstrate social accountability – by investing in the development of rural infrastructure, ensuring environmentally responsible farming practices, and supporting small producers through contract-based partnerships (for example, by providing subcontracts or integrating them into cooperative supply chains).

At the international level, researchers have noted that the growing corporate power within global food systems may undermine food security and the resilience of small farmers [19]. Therefore, the modern concept of corporate development in agriculture incorporates the imperative of adhering to the principles of sustainable development – including ESG

guidelines (Environmental, Social, and Governance) - and strengthening corporate social responsibility (CSR) in the agro-industrial sector.

Overall, the specificity of corporate development in agro-industrial production lies in the combination of a strong potential for efficiency growth and the inherent risks of the agricultural sector. Large corporations can serve as drivers of innovation and export expansion, yet they must simultaneously assume responsibility for the socio-economic well-being of rural regions and the preservation of natural resources. The balance between these aspects will largely determine the future trajectory of sustainable development in the agricultural sector.

Table 1 and Figure 1 present actual data for the period 2007–2024, reflecting the number of agroholdings, the area of agricultural land under their use, and the share of these indicators in the total agricultural land area of Ukraine.

Table 1

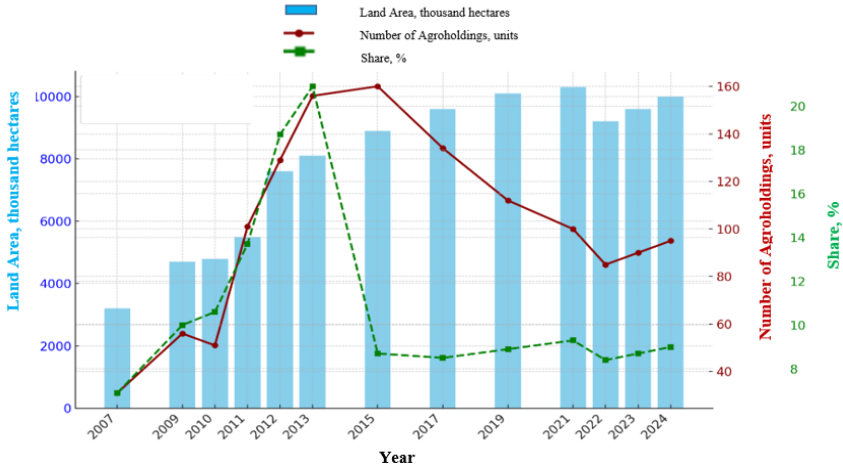
**Dynamics of the Number of Agroholdings, the Area of Land under Their Use, and the Share of These Agroholdings in the Total Agricultural Land Fund of Ukraine (2007–2024)**

Year	Number of Agroholdings, units	Land Area, thousand hectares	Share, %
2007	31	3200	6,9
2009	56	4700	10
2010	51	4780	10,6
2011	101	5500	13,7
2012	129	7600	18,7
2013	156	8100	20,9
2015	160	8900	8,7
2017	134	9600	8,5
2019	112	10100	8,9
2021	100	10300	9,3
2022	85	9200	8,4
2023	90	9600	8,7
2024	95	10000	9

*Source of data for 2007–2024: statistical reports of the agricultural sector based on Internet resources and various reporting forms*

It should also be noted that official statistical reporting on the activities of agroholding formations is not available in an integrated form. Therefore,

the assessment of their functioning was carried out by generalizing and systematizing information obtained from various sources, including materials from periodicals and analytical publications



**Figure 1. Dynamics of the Number of Agroholdings, the Land Area under Their Use, and the Share of These Agroholdings in the Total Agricultural Land Fund of Ukraine (2007–2024)**

*Source of data for 2007–2024: statistical reporting of the agricultural sector based on Internet sources and various reporting forms*

The development of agroholdings in Ukraine during 2007–2024 reflects a complex evolution of the corporate model in the agricultural sector - from rapid expansion to forced adaptation under wartime conditions. While the period 2007–2015 was characterized by expansion, land concentration, and the formation of vertically integrated structures, since 2016 the sector has entered a phase of optimization and structural redistribution of assets.

Starting from 2022, after the full-scale invasion by Russia, the agricultural sector faced unprecedented challenges – loss of land, destruction of logistics, mine contamination of fields, blockade of ports, relocation of production facilities, and a significant reduction in exports. These factors led to a decline in the number of agroholdings from 100 in 2021 to 85 in 2022.

However, during 2023–2024, a gradual stabilization has been observed – the number of large corporate structures increased to 90–95, indicating a high level of adaptability and resilience within the sector.

The land area under the use of agrohholdings increased from 3.2 million hectares in 2007 to 10.3 million hectares in 2021, but in 2022 it declined to 9.2 million hectares. This reduction is directly linked to the loss of access to territories in the southern and eastern regions of Ukraine, where agricultural operations became impossible due to hostilities.

Despite these challenges, in 2023–2024 a partial restoration of land potential occurred, reaching approximately 10.0 million hectares. This recovery became possible due to several key factors: the relocation of assets to the central and western regions of Ukraine, state support programs such as the “5–7–9%” loan initiative and the “eRobota” grant scheme, international grant programs (including USAID, EU4Business, and the EIB), as well as the development of alternative export routes through the Danube River and Poland.

Thus, even under martial law, the corporate agricultural sector demonstrates structural resilience and a strong ability to maintain core production volumes.

The share of agrohholdings in Ukraine’s total agricultural land fund increased from 6.9% in 2007 to 9.3% in 2021, and during 2022–2024 it has remained stable at around 8.4–9.0%.

Despite the war, large corporate structures have managed to retain control over key land assets and maintain their strategic role in ensuring the country’s food security. This confirms that agrohholdings continue to serve as the primary stabilizers of the agricultural economy, capable of sustaining export potential even under crisis conditions.

The war has accelerated the transition from an extensive development model (focused on land bank expansion) to an intensive model based on digitalization, energy efficiency, precision farming, and sustainable resource management. Major holdings such as Astarta-Kyiv, Kernel, MHP, and Nibulon have become examples of adaptive organizations that rapidly restructured their business models: they implemented ERP systems, remote field monitoring, and drone-based agronomy technologies; diversified export routes and reoriented trade toward European markets; and introduced ESG strategies as the foundation of resilience amid wartime uncertainty.

Thus, the war has become a trigger for the structural transformation of the corporate agricultural sector, pushing it toward innovation and deeper integration into the European economic space. Overall, the following scientific conclusions can be drawn. The war of 2022 significantly altered the trajectory of agroholding development in Ukraine, yet it did not destroy the corporate model – rather, it transformed, acquiring features of flexibility and innovativeness. The reduction in the number of agroholdings occurred not so much due to collapse, but as a result of restructuring and consolidation of assets within more resilient corporate entities. The land bank of agroholdings is gradually being restored, indicating a partial return to pre-war production scales and adaptation to new geographic realities. The share of agroholdings in the total land fund remains stable, confirming their strategic role in ensuring national food security and export potential. The war has thus become a catalyst for the transition to a qualitatively new model of agribusiness, in which the key determinants of efficiency are innovation, digitalization, adaptive management, and international integration.

Large agricultural companies are adapting to the realities of war by reallocating assets to safer regions, increasing productivity on existing lands, and adopting new technologies to compensate for the reduction of available farmland. Importantly, as a result of the war, their access to key resources – including land, finance, and investment will remain limited, which will constrain business expansion even after the end of hostilities. It is expected that after the war, agroholdings will no longer hold dominant positions in the agricultural market and will undergo reorganization through mergers, acquisitions, or asset redistribution [10]. The share of large holdings in the structure of Ukrainian agriculture is projected to stabilize below 10%, while small and medium-sized producers will play an increasingly significant role. According to analysts, Ukraine's agricultural sector currently relies largely on small individual farms, although large companies continue to play an important role [2]. Thus, in 2025–2027, a stabilization of both the number of agroholdings and their land bank is expected, even if the overall decline does not completely stop. This trend is driven by the exhaustion of weaker market players (the most vulnerable companies have already exited the market) and by adaptation and support measures that enable the remaining holdings to stay afloat despite wartime challenges.

#### **4. The forms of corporate associations in the agro-industrial complex and their key characteristics**

Corporate development in the agro-industrial complex is implemented through a variety of forms of enterprise associations. In modern Ukrainian practice, both classical corporate structures and integration formations specific to the agricultural sector operate. Based on the generalization of scientific sources [1; 3; 7; 11; 17; 18; 21; 22] and the regulatory and legal acts of Ukraine, the following main forms of corporate associations in the agro-industrial complex (AIC) can be identified (Table 2).

As shown in Table 2, corporate associations in the agro-industrial sector differ in their degree of integration, objectives, and organizational principles. The most tightly integrated forms are holdings and corporations, where centralized management and unified ownership enable the implementation of a single strategic policy. In contrast, cooperatives and associations are based on voluntary coordination and the preservation of participants' autonomy. Each form occupies its own niche: holdings are effective for large-scale investments and entry into foreign markets, while cooperatives play a key role in supporting small producers and promoting the principles of mutual assistance.

The Ukrainian experience demonstrates the dominance of agroholdings as the leading form of corporate development: they account for approximately 21% of agricultural land and a significant share of export revenues. The country's largest agricultural corporations – MHP, Kernel, UkrLandFarming, Nibulon, and Astarta-Kyiv have become brands recognized on the global market. Their examples illustrate the advantages of vertical integration and economies of scale. In particular, MHP has built a closed production cycle in poultry farming (“from field to supermarket shelf”); Nibulon has successfully implemented the “production + logistics” model, owning its own river fleet for grain exports; and Astarta-Kyiv has integrated sugar production with beet and soybean cultivation, introducing modern IT solutions for management. Such achievements confirm the competitive advantages of corporate associations. However, their operations also exhibit vulnerabilities including dependence on global market conditions, a high debt burden due to loans and Eurobonds, and reputational risks arising from socially irresponsible practices.



Table 2

**Main forms of corporate associations  
in agro-industrial production**

<b>Form of corporate associations</b>	<b>Characteristic</b>	<b>Examples</b>
1	2	3
Corporation (Joint-Stock Company)	<p>A legal entity whose authorized capital is divided into shares, providing the opportunity to attract investments through the issuance of stock. The owners (shareholders) do not bear direct liability for the corporation's obligations; their risk is limited to the value of their shares.</p> <p>As a form of organization, a corporation enables the concentration of capital from a large number of investors and ensures a separation between ownership and management.</p>	<p>Public agricultural joint-stock companies: MHP (Myronivsky Hliboproduct) – a vertically integrated agroholding specializing in poultry farming and crop production. Astarta-Kyiv – a corporation that unites sugar plants and agricultural enterprises, listed on the stock exchange.</p>
Holding Company (Agroholding)	<p>An association of enterprises through a participation system, where a parent company owns controlling stakes (shares) in its subsidiaries. The holding company acts as a single decision-making center for the entire group. In the agricultural sector, agroholdings are vertically or horizontally integrated groups that control various stages of agricultural production and processing. They typically include dozens of legal entities (farms, grain elevators, processing plants) united by common ownership. Advantages include synergy, strategic coherence, and scale, while disadvantages involve monopolization and management complexity.</p>	<p>The largest Ukrainian agroholdings include: Kernel – a grain and oilseed processing holding, the No. 1 exporter of sunflower oil in Ukraine. UkrLandFarming – a diversified holding engaged in grain production, egg production, and sugar manufacturing. Nibulon – an integrated holding combining grain cultivation with its own logistics and export infrastructure. These structures control tens to hundreds of thousands of hectares of land and account for a significant share of the agricultural products market.</p>

1	2	3
Concern	<p>An association of enterprises from different industries or sectors operating under unified financial control. Unlike a holding company, a concern may have a less rigid legal structure, as it can be formed through voluntary association based on contractual agreements.</p> <p>In the agro-industrial complex, concerns usually emerge when an agricultural enterprise diversifies into related industries (such as machinery manufacturing or trade), or conversely, when an industrial concern incorporates agricultural production. A concern coordinates diverse business activities to achieve common strategic objectives.</p>	<p>Historically, an example was the State Joint Stock Company “Khlіb Ukrainy”, an agro-industrial concern that operated in the 1990s. Among private entities, there are diversified business groups that include agricultural divisions, for instance, SCM (System Capital Management), which in the 2000s established the agroholding “HarvEast” as part of its industrial and financial concern.</p>
Association, Union	<p>A voluntary association of enterprises or organizations established to coordinate activities and protect common interests, without losing the economic independence of its members. Associations may be formed on a territorial or sectoral basis (for example, a farmers’ association or a poultry producers’ union). Within an association, members coordinate policies and may jointly promote their products, but the association itself is not a single business entity. Such organizations often perform representative and lobbying functions, advocating for the interests of their members at national and international levels.</p>	<p>The Association “Ukrainian Agribusiness Club” (UCAB) unites large agricultural companies to address sectoral issues. The All-Ukrainian Agrarian Council (VAR) is a union of medium and small agricultural enterprises. These organizations coordinate the efforts of agricultural producers in dialogue with the state and implement joint projects (such as training programs, exhibitions, and conferences) without direct integration of assets.</p>

1	2	3
Agricultural Cooperative	<p>A corporate association of individuals or legal entities based on membership principles, established for joint economic activities such as production, processing, marketing, or supply. Cooperatives operate not to generate profit for investors, but to meet the needs of their members; profits are distributed among members in proportion to their participation. In the agricultural sector, there are two main types:</p> <p>Production cooperatives, which engage in joint production;</p> <p>Service cooperatives, which focus on shared use of equipment, marketing of products, and procurement of resources. Cooperation enables small producers to pool their resources and enhance competitiveness in the market.</p>	<p>The cooperative association “Hospodar” (a hypothetical example) unites 50 small farmers who jointly purchased and operate a grain elevator and a dairy processing facility, and collectively market their products. Overall, the adoption of the Law of Ukraine “On Agricultural Cooperation” (2020) has stimulated the development of such forms of organization, particularly service cooperatives among small-scale farmers.</p>
Financial and Agro-Industrial Group (FAIG)	<p>A comprehensive association that includes agricultural enterprises, processing plants, trading companies, as well as financial institutions such as banks and investment firms. The main objective is the concentration of financial and production capital to implement large-scale innovative projects in the agro-industrial complex. Such groups may be formed around a major bank investing in agriculture, or conversely, an agroholding may establish its own bank or insurance company. A Financial and Agro-Industrial Group ensures internal financing and resilience to market fluctuations.</p>	<p>Example: the agro-financial group CFG (Continental Farmers Group), which combines agricultural production with an investment fund. In Ukrainian practice, the term “finpromagroholding” has emerged, referring to cases where large financial and industrial capital enters the agro-industrial complex for the purpose of diversification.</p>

*Compiled on the basis of sources: [1, 3, 7, 11, 14, 17, 18, 21, 22]*

It is also important to highlight positive examples of cooperation in the agricultural sector. Although the share of agricultural cooperatives remains relatively small, they are steadily developing in such areas as milk

procurement, fruit and berry production, and the provision of technical services to farmers. Recent legislative innovations have encouraged the establishment of service cooperatives, which in essence represent a form of corporate interaction among small producers. This model allows farmers to pool financial resources for joint investments (for example, in refrigeration equipment or distribution centers) without transferring ownership to an external investor, thus retaining control within the producer community. Therefore, corporate development in the agro-industrial complex is not limited to large holdings but also encompasses the horizontal integration of farmers. In the long term, a harmonious combination of various forms (holdings + cooperatives + associations) can ensure balanced sectoral development: large corporations will generate innovation and export revenue, while cooperative associations will sustain the viability of small producers and rural communities.

In the context of forms of corporate associations, it is important to emphasize the role of state policy. Legislation establishes the organizational and legal framework for corporations (the Law “On Joint-Stock Companies”), limited liability companies (LLCs), cooperatives, and other business entities. Government programs can stimulate certain forms of organization for instance, through subsidies for cooperatives or restrictions on excessive concentration. In some countries, antitrust regulations are applied to prevent excessive consolidation in agribusiness, as well as land ownership quotas limiting the concentration of land in the hands of a few entities. Similarly, in Ukraine, limits have been introduced on the purchase of land by a single owner. Looking ahead, regulatory measures should balance both the economic rationale for production scaling and the need to promote competition and support small agricultural enterprises, ensuring sustainable and inclusive development of the agro-industrial sector.

### 5. Conclusions

The conducted research allows formulating several general scientific conclusions regarding the essence and characteristics of corporate development in agro-industrial production.

The history of Ukraine’s agricultural sector after the transition to a market economy demonstrates a gradual shift from collective to corporate forms of management. The concept of corporate development has evolved from

the simple establishment of joint-stock companies during the privatization period to the formation of powerful agro-industrial holdings, financial-industrial groups, and other integrated corporate structures. Thus, corporate development should be viewed as a dynamic process of creation, formation, and growth of new organizational forms of agribusiness that respond to contemporary economic challenges.

Corporate development in agriculture has distinct features compared with industry or services. These differences arise from natural and technological factors (such as land dependence and seasonality), the need for vertical integration (to bridge the gap between producers and consumers), and the social importance of agribusiness for rural communities. Large agricultural corporations demonstrate high competitiveness and innovativeness, while also requiring enhanced attention to risk management and community engagement to ensure sustainable and inclusive growth.

At the current stage, agroholdings have become the dominant form of corporate development in Ukraine's agro-industrial complex. They have accumulated significant land and production resources, as confirmed by statistical data. The economies of scale have enabled them to reduce production costs, implement advanced technologies, and become key drivers of agricultural exports.

However, the excessive concentration of resources also raises concerns in particular, agroholdings tend to crowd out smaller producers and may monopolize local labor and land markets, posing challenges to fair competition and sustainable rural development.

In addition to agroholdings, the agricultural sector also includes other corporate forms – corporations (joint-stock companies), concerns, associations, and cooperatives. All of them serve as instruments for uniting efforts, though they differ in their degree of formalization and strategic objectives. Cooperatives and associations play an especially important role in supporting the interests of small and medium-sized producers, filling niches where large holdings are inefficient or uninterested such as local markets, niche products, and shared service systems. This demonstrates that corporate development is a multidimensional phenomenon, and an optimal model of the agricultural economy should ensure the coexistence and cooperation of various organizational forms, combining the innovative

and investment potential of large corporations with the flexibility and inclusiveness of cooperative structures.

Modern research confirms that corporate agricultural enterprises with strong management performance characterized by transparent ownership structures, high labor productivity, and financial stability are more capable of successfully overcoming crises. In Ukraine, this is exemplified by the resilience of large agricultural companies during the economic crisis of 2014–2015 and throughout the period of military conflict: despite the loss of assets in occupied territories, they managed to preserve their core business operations and continue export activities. Thus, corporate development supported by effective management serves as a key factor in enhancing the overall resilience of the agricultural sector.

Corporate structures in the agricultural sector bear increased responsibility for the social development of rural areas and the environmental consequences of their activities. The advancement of corporate social responsibility (CSR) has become a necessary condition for the legitimacy of large agrarian holdings within society. Leading companies are already implementing community support programs, environmental initiatives, and transparent ESG reporting on their sustainability achievements. This represents a positive trend that should become widespread in order to mitigate the negative effects of corporate agricultural concentration such as soil degradation, water pollution, and social tension caused by rural unemployment.

Thus, corporate development in agro-industrial production is a multifaceted phenomenon that encompasses economic, managerial, social, and environmental dimensions. For Ukraine, this development path has made it possible to significantly increase agricultural production and exports and to integrate more deeply into the global economy. At the same time, maintaining long-term sustainability requires finding an optimal balance between large corporate players and numerous small producers.

The scientific novelty of the conducted research lies in its comprehensive approach to analyzing corporate development taking into account its historical evolution, sectoral specificity, and organizational forms. This approach has made it possible to systematize current trends and identify key problem areas in the functioning and transformation of Ukraine's agro-industrial corporate sector.

Promising directions for further research include the quantitative assessment of the impact of corporate concentration on production efficiency and rural development (measuring the relationship between efficiency and rural living standards); the study of models of coexistence and cooperation between holdings and small farmers (such as contract farming and cluster associations); as well as the analysis of the influence of external shocks including military actions and changes in trade conditions on corporate governance strategies in the agricultural sector. Particular attention should be paid to the mechanisms of state policy aimed at supporting fair competition and stimulating sustainable corporate development in particular, antimonopoly regulation, support for agricultural cooperatives, and environmental taxation for large agribusinesses. The practical implementation of the results of such studies will contribute to the formation of a balanced agricultural policy that ensures both high productivity of agro-industrial production and the sustainable development of rural communities in the long term.

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