

**STATE FINANCIAL REGULATION OF THE COMPETITIVE ENVIRONMENT:
ASSESSMENT FOR THE AGRICULTURAL SECTOR OF UKRAINE**

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ABSTRACT

The article reveals the importance of state financial regulation as one of the most important tools for economic growth and ensuring the competitiveness of industries and the economy of Ukraine. The studies of domestic and foreign scientists on the subject of research are analyzed in detail. The state of enterprises of the agricultural sector of Ukraine for the period 2013-2020 has been determined. The study was carried out on the factors of providing agricultural producers with financial resources in terms of the size of the forms of management. The share of unprofitable enterprises in the industry for the same period is also analyzed. The achievements of the agricultural sector are described according to the statistical analysis of the state of socio-economic development of the regions in the period 2020-2021. The methodology for monitoring and evaluating the effectiveness of the implementation of the state regional policy in accordance with legislative regulations is described. This made it possible to establish that at the present stage, the financial regulation of the agricultural sector of Ukraine is carried out without proper scientific justification and, as a rule, responds slowly to

the requirements of economic practice, especially in the context of deepening the penetration of global processes into the national economy. Approaches to the assessment of the competitive environment of the agrarian sector of Ukraine and the direction of its state regulation are proposed. Theoretical, methodological, and practical aspects of assessing the competitiveness of the sector are disclosed. The necessity and possibility of forming a competitive environment by fiscal policy measures, primarily budgetary regulation, is proved. The problems of forming a competitive environment in the context of the current crisis caused by the COVID-19 pandemic, the place of Ukraine in the world competitiveness ranking are identified, and methodological approaches to the development strategy are proposed. It is proved that the competitive strategy is based on the existing resources of the industry (material, financial and intellectual), the level of development of various forms of management, the structure of production, marketing, processing, the formation of value chains and a bilateral state-market regulator. The directions for improving the quality of the competitive environment, arising from the paradigm of innovative development of the agricultural sector, are summarized and provide for the stimulation of small business in niche and organic production and large-scale industrial production in terms of the main indicators of food security, as well as the development of land, financial, credit and resource markets and the formation of equal access to them all agricultural producers.

Keywords: *Financial Regulation; Competitive Middle Ground; Agricultural Sector; National Economic Strategy; Budgetary Agricultural Videos; Ukraine*

1. INTRODUCTION

State financial regulation is carried out through the redistribution of financial resources for needs of national importance, but not fully involved in the market mechanism. Such needs, as defined by the authors (Mazaraki, 2015), are “structural restructuring of the economy, environmental protection, defence, law and order, social support for vulnerable segments of the population, fundamental scientific research, healthcare, etc.” That is, the goal of state regulation is the restructuring of the economy, and this is the formation of a complex of internal relations between spheres, industries, sectors, regions, forms of ownership, etc. interconnected by the division of labour, maintaining proportions between the different components of the national economy.

Particularly relevant is the financial regulation of the development of industries that form national security, and this is the agricultural sector in terms of guaranteeing food security.

The problems of state financial regulation of the competitive environment in the agricultural sector are relevant for research, primarily because the resources of the industry belong to the national wealth and the interests of the market and society, property rights, individual and collective, the concentration of resources and their efficient use, interaction and contradictions of traditions and adaptation of foreign experience, etc.

Secondly, the agricultural sector occupies a significant area of the territory of Ukraine, and it is its condition and models that determine the vector of national development. Thirdly, significant capitals are concentrated in the agricultural sector - financial, physical, human, requiring monitoring of their condition and focus on achieving the highest synergistic effect. The generalization of these areas of financial regulation of the agricultural sector allows us to recognize that the main task of state regulation is the formation of a competitive environment, which is the object of this study.

2. LITERATURE REVIEW

The formation of a competitive environment by measures of state financial regulation is the subject of scientific discussions inherent in Ukraine since independence. In particular, the Law of Ukraine "On State Support for Agriculture of Ukraine" (Zakon, 2004), paragraphs 2-1.5 states that the effectiveness of state support is ensured by creating favourable conditions for agricultural activities, improving the quality and competitiveness of agricultural products in order to minimize natural-climatic and economic risks of agricultural production and food security of the state.

Researchers (Garan, 2018) found that the general goal of state regulation is to create effective competitive relations through the implementation of the desired model of behavior by the participants in these relations using the means of state influence. At the same time, the state mechanism for regulating economic competition is a set of means of a legal and economic, organizational nature, within the limits defined by law, of the influence of the state on the structure of the market and the economic behaviour of its subjects, allowing for the efficient distribution of resources and, as a result, improving the welfare of the population and developing the economy country.

Puzhay-Chereda (2016) states that the competitiveness of an industry is defined as a characteristic that determines the sustainable state of the industry in the domestic and foreign markets, the ability to create conditions for increasing its competitive potential, due to political,

economic, socio-demographic, environmental factors, technological readiness, and the presence of a sufficient number of enterprises capable of producing goods and services corresponding to the demand of the domestic and foreign markets.

The industry competitiveness factors (Kuzmin & Gorbali, 2004) include macro factors: government support for industries; science and innovation; legal regulation; openness of society and markets; harmonization of the system of standardization and certification with the international one; quality of information support; level of integration; the level of tax and interest rates; availability of accessible resources; management personnel system; favourable climatic conditions and geographical position of the country; and micro factors: a significant need for the product of the industry; the level of concentration, specialization and cooperation of the industry; the level of unification and standardization of the products of the industry; quality management base; competitive suppliers; access to quality resources; significant level of innovation; certification of products and systems; exclusivity of goods in the industry; high efficiency of the organization; a significant share of exports; a significant share of competitive enterprises and products of the industry.

Gudzinsky et al. (2010) carried out a study of the features of managing the formation of the competitive potential of enterprises; Dernova et al. (2020) defined the global dimension of Ukraine's competitiveness; Melnik and Ptashnik (2018) described the competitive potential as the basis for the formation of the competitiveness of agricultural enterprises; Nakisko and Danylenko (2018) analysed the influence of market forces on the formation of a competitive food chain environment; Tkachuk (2012) described the formation of the competitiveness of small agribusiness enterprises: current state and development prospects; Tsarenko (2009) identified the methodological aspects of the formation of the competitive advantages of the industry; Holovchuk and Pchelianska (2020) highlighted the features of the formation of a strategy for increasing the competitiveness of an enterprise based on the paradigm of innovative development.

Vdovenko et al. (2018) note that the competitiveness of the agro-industrial complex should be determined considering the specifics and social significance of the agricultural sector as its competitiveness to function and develop in a market environment, effectively ensuring reproduction processes.

Radchenko et al. (2020) assessed the institutional environment and identified the need for financing small agribusiness to facilitate access to financial resources in accordance with the need for them of commodity producers.

Shestakovskaya and others (2018) identified the features of ensuring an appropriate level of competitiveness of the agricultural business to form a leadership position in the markets, which will be facilitated by meeting the needs of consumers and the country's food security. The authors clarify that the decline in the country's leading position in terms of the competitiveness of agricultural production is associated with an unstable socio-economic and political situation.

Pylypenko et al. (2019) conducted an empirical analysis of the factors of competitiveness of the agricultural sector in the region, analyzed two opposite concepts of sources of sustainable competitive advantages, resource-oriented and based on the influence of the external environment on the competitive position.

Humbatova et al. (2018), Ivanova et al. (2018) considered import substitution as a factor in promoting the competitiveness of regional agricultural systems.

Gusakov & Shpak (2018) traced the factors of improving the efficiency, competitiveness, and stability of the development of the agricultural sector in the Republic of Belarus.

Andrei and Ungureanu (2014) examined the evolution of the economic structure in achieving the competitiveness of the agrarian economy in the Romanian economy, noting that in an increasingly integrated and globalized market, there is risk diversification and regulation.

Followers Miniussi et al. (2015) revealed the impact of innovation on the competitiveness of the organic agricultural state and food industry in Brazil, evaluating the link between strategic innovation and competitiveness in this area.

Abraham et al. (2015) identified factors that contribute to the competitiveness of Czech small and medium-sized enterprises.

According to the list of research areas, we can conclude that the subject of state regulation of the industry is almost constantly influenced by the environment and requires scientific support for transformation, adjustment, and changes, which are the topic of our study.

The purpose of the article was to form a methodological approach to assessing the state financial regulation of the competitive environment for the agricultural sector of Ukraine.

3. METHODOLOGY

The conditions for the formation of a competitive environment are assessed by available open sources of data: forms and activities of agricultural enterprises, the volume of their financial performance, the impact of other related economic entities on the effectiveness of state regulatory policy. The monographic method is used to review scientific publications of researchers and the regulatory framework for the outlines of the competitive environment and government regulation, empirical, systematic and comparative analysis and synthesis, graphical method to reflect the dynamics of research indicators, abstract and logical for generalizations and conclusions.

According to Resolution № 856 (2015), the rating is based on the calculation of relative deviations of indicators of each region from the maximum and minimum values of such indicators of other regions according to the formula:

$$R_j = \sum_{i=1}^n \frac{x_{\max i} - x_{ij}}{x_{\max i} - x_{\min i}} + \sum_{i=1}^n \frac{x_{ij} - x_{\min i}}{x_{\max i} - x_{\min i}}, \quad (1),$$

where R_j - the sum of the ratings of a particular region for each of the indicators that characterize a particular area of activity;

x_{ij} is the value of the i -th indicator of the j -th region;

$x_{\max i}$ - the maximum value of the i -th indicator;

$x_{\min i}$ is the minimum value of the i -th indicator.

The first part of the formula is used to estimate indicators whose increase has a positive value (for example, the volume of industrial production per capita), the second part - to assess indicators whose increase has a negative value (e.g., the amount of arrears of wages) .

Determining the arithmetic mean of the sum of ratings of a particular region for all indicators of annual evaluation, which characterize a particular area of activity, is carried out by the formula:

$$R_{cpj} = \frac{R_j}{n}, \tag{2},$$

where R_{cpj} - the arithmetic mean of the sum of the ratings of a particular region for all indicators of a particular area;

n - the number of indicators for which the calculation was carried out in a particular direction.

According to the results of calculations, the integrated rating is determined as the arithmetic mean of the sum of ratings of a particular region in all areas by the formula:

$$I_j = \frac{\sum_{cpj}^m R_{cpj}}{m}, \tag{3},$$

where I_j is the arithmetic mean of the sum of ratings of a particular region in all areas;
 m - the number of areas in which the calculation was performed.

The method of standardization is also used - the calculation of conditional (standardized) indicators that replace intensive ones, when the comparison of the latter is complicated by the incompatibility of the groups compared to the ideas of Melnik, Ptashnik (2018).

This method analyzes the phenomena based on constructing several analytical and calculation tables and definitions with their help and shows what would be the total coefficients in the compared populations if they were homogeneous with each other.

At the same time, enter data and calculate:

X_i - the actual value of the i -th factorial indicator (the value of the factorial indicator for one area);

X_s is the arithmetic mean of the factorial index for all studied objects (all regions);

$(X_i - X_s)$ - the difference between the actual value of the indicator and the average value; $(X_i - X_s)^2$ - standard deviation; X_i / S is a standardized indicator.

The standard deviation is determined by the formula:

$$S = \sqrt{1/n-1(\sum (X_i - X_s)^2)} \tag{4},$$

where S is the standardized deviation of the indicator; n is the number of objects studied. Determination of the standardized value of the i -th factorial index X^i and is carried out by the formula:

$$X^i = X_i / S \quad (5).$$

The standardized X_i / S indicator is also a score of the i -th factor in each individual study object (area).

4. RESULTS AND DISCUSSIONS

4.1. Result: The activities of the agricultural sector require state regulation

The formation of a competitive environment is a global problem. The World Competitiveness Rankings-2021 presents data from 64 countries of the world.

The MIM Business School (2021) contributed to Ukraine being included in this ranking in 2007 (the ranking has been published since 1989), where information is divided into four categories: economic performance, infrastructure, government performance and business performance and a wide range of statistics are considered, such as unemployment, GDP and government spending, social cohesion, globalization, and corruption.

In the competitiveness ranking, Ukraine was the 54th in 2021, while for comparison, in 2017 it was in the 60th position. The rating notes that among the challenges currently facing Ukraine are control over the coronavirus epidemic, freezing the armed conflict in eastern Ukraine, promoting economic recovery, and introducing public-private partnerships (especially for infrastructure projects), launching a full-scale energy and land market, as well as activating the domestic stock market and pension system.

The 2021 ranking was led by European countries: Switzerland was in the first place, Sweden - the second place, the third place belonged to Denmark, and the fourth - to the Netherlands. Innovation, digitalization, supportive policies, and social cohesion have become determinants of competitiveness.

The activity of the agricultural sector is a complex technological process, because agriculture occupies 70% of the territory, more than 40% of exports, 17% of GDP, forms 11% of budget revenues, and is one of the key sectors of the economy.

The agricultural sector plays a significant role in the implementation of the financial policy of the state because it acts as a budget-forming industry, covers more than a third of

exports, demonstrates consistently high profitability rates over the years and the predominant share of profitable enterprises in financial results.

According to the statistical analysis of the state of socio-economic development of the regions and the city of Kyiv (2021), according to the results of January-September 2021, a positive trend was recorded in Ukraine as a whole in relation to the volume of gross agricultural output - an increase of 1.9% (in the corresponding period of 2020 year) year - a decrease of 13.1%).

The volume of agricultural production per person of the rural population in January-September 2021 increased by 3.1% compared to the corresponding last year period and amounted to UAH 34,875.

Agricultural production in the reporting period was significantly affected by the quantitative dependence of the crop on weather and climate conditions, as well as restrictions caused by the COVID-19 pandemic.

4.2. Result: Basic indicators for assessing the competitive environment of Agrosector

In terms of the volume of financial resources in 2013-2020 (Table 1), the share of agricultural producers' accounts for 9.4% of the financial resources of the economy, and in 2013 - 5.48%, and in 2020 - 8.96%, that is, the niche of participation of the agricultural sector in general economic finance is steadily expanding

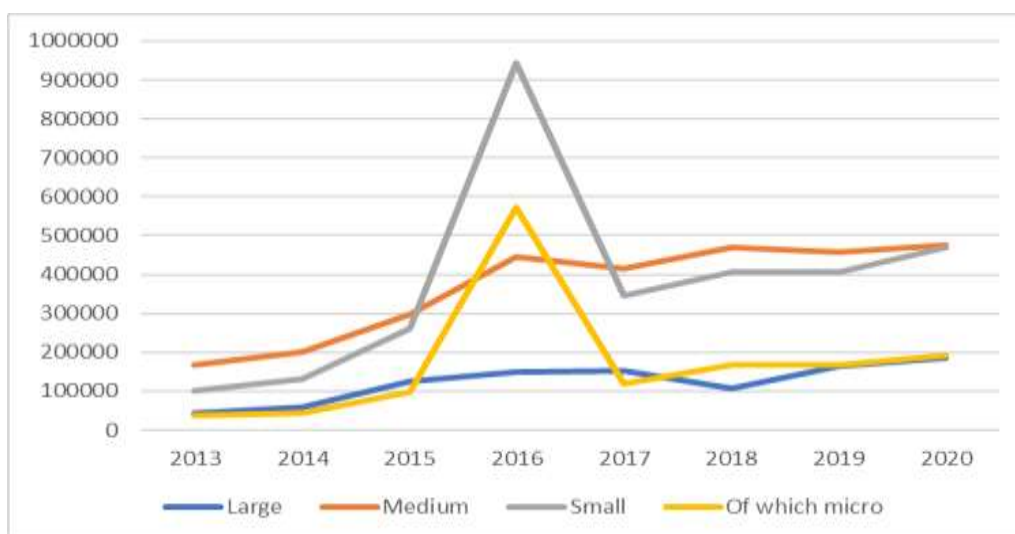


Figure 1: Volumes of financial resources of agricultural enterprises by size of activity in 2013-2020, UAH million

Source: built by the authors according to the State Statistics Committee of Ukraine, 2021. URL : <http://www.ukrstat.gov.ua/>

The highest figure was in 2016, when the share of the agricultural sector in the balance of enterprises in economic sectors reached 15.39%. If in 2013 large enterprise accounted for 1605 million UAH, in 2020 - 5140 million UAH, i.e. an increase of 3.2 times. For medium-sized enterprises, this ratio was UAH 15 million and UAH 87 million, an increase of 5.8 times, for small ones - UAH 1.5 million, and UAH 6.6 million, respectively, or an increase of 4.4 times. The average resources of one micro-enterprise were 0.36% of the resources of large enterprises in 2013 and 0.56% in 2020. The average resources of one micro-enterprise were 0.36% of the resources of large enterprises in 2013 and 0.56% in 2020.

Competitiveness at the industry level is proposed by researchers (Kuzmin & Gorbali, 2004) to assess using the following indicators: labor productivity; pay; capital intensity and science intensity; technical level of production; export orientation or import dependence of the industry; compliance of the level of development of the industry with the general level of economic development, etc.

The main indicators of the competitiveness of the industry are indicators that characterize the state of the components of its competitive position. In particular, it includes the provision of enterprises with resources (labor, raw materials), investment attractiveness (ability to raise capital in domestic and global markets), well-chosen development strategy (management system and competition policy), demand for manufactured goods and services (ability to meet consumers' expectations).

Accordingly, the determinants of the competitiveness of the industry will be the factors that affect the value of these indicators. The level of competitiveness is reflected in the size of the main types of agro-industrial products per capita, their positive dynamics and the creation of conditions for sustainable development of the national economic system in the long run.

Table 1: Specific weight of agricultural enterprises that have received losses in the total number of enterprises, in terms by region in 2014-2020

	2014	2015	2016	2017	2018	2019	2020
Ukraine	15,8	11,5	12,2	13,8	13,7	16,9	17,3
Vinnitsia	14,4	13,1	9,5	10,0	10,2	12,3	15,5
Volyn	19,9	15,4	16,8	13,9	13,4	15,9	15,5
Dnipropetrovsk	14,1	9,2	12,3	14,1	15,4	16,8	15,8
Donetsk	17,6	11,3	9,5	12,3	13,6	15,7	10,1
Zhytomyr	28,4	25,6	23,8	23,2	21,8	26,3	22,5
Zakarpattia	9,9	7,1	8,2	8,7	9,2	10,9	14,9
Zaporizhzhia	15,9	9,5	10,0	9,8	16,1	15,7	11,7
Ivano-Frankivsk	15,6	12,5	17,1	11,4	10,4	16,9	17,1
Kyiv	18,1	15,4	14,9	18,8	16,3	19,3	20,9
Kirovohrad	9,0	5,6	7,3	12,5	9,8	11,8	17,4

Luhansk	9,9	8,4	6,7	8,5	8,3	13,0	8,8
Lviv	17,6	15,6	19,3	17,9	15,0	19,5	18,1
Mykolayiv	13,6	7,6	8,6	11,9	11,6	11,1	16,4
Odesa	10,6	8,3	7,3	7,1	8,5	18,1	35,4
Poltava	16,1	9,4	10,3	15,7	11,7	17,0	11,3
Rivne	24,9	21,9	22,7	20,1	19,4	23,7	20,6
Sumy	17,6	11,6	12,4	15,7	14,3	18,1	13,3
Ternopil	18,8	14,5	17,0	11,4	13,7	16,9	13,5
Kharkiv	16,8	12,5	15,4	21,3	18,4	23,7	16,3
Kherson	21,8	12,1	13,5	13,1	14,6	16,5	15,0
Khmelnyskyi	13,9	12,3	11,4	10,1	9,7	12,5	11,0
Cherkasy	13,1	9,5	9,6	16,4	12,8	15,7	17,4
Chernivtsi	18,4	16,3	21,7	13,7	17,6	22,7	17,0
Chernihiv	20,6	16,8	17,6	19,0	19,8	23,0	17,9
City of Kyiv	45,5	38,4	49,1	46,9	46,5	45,5	48,8

Source: built by the authors according to the State Statistics Committee of Ukraine, 2021. URL : <http://www.ukrstat.gov.ua/>

4.3. Result: The state of financial resources of agricultural enterprises

Adding the values of the standardized indicator H_i / S for each factor by the method of standardization of indicators determines the integrated score, given in Table. 2.

Table 2: Initial data and summary points for assessing the competitive potential of agricultural enterprises of Ukraine in 2020

Regions	Initial data, x			Summary points			Sum of points
	product per 1 ha	profitability	products for 1 person	product per 1 ha	Profitability	products for 1 person	
Vinnysia	28,1	16,40	1085	4,38	1,90	4,23	10,51
Volyn	28,1	22,80	1053	4,37	2,64	4,11	11,12
Dnipropetrovsk	18,3	18,00	831	2,84	2,08	3,25	8,17
Donetsk	15,6	24,90	769	2,42	2,88	3,00	8,30
Zhytomyr	17,7	15,80	1026	2,75	1,83	4,00	8,58
Zakarpattia	18,7	10,70	455	2,91	1,24	1,78	5,92
Zaporizhzhya	11,9	27,70	683	1,85	3,21	2,67	7,72
Ivano-Frankivsk	29,4	12,30	993	4,58	1,42	3,88	9,88
Kyiv	24,7	12,30	681	3,84	1,42	2,66	7,92
Kirovohrad	12,7	15,00	575	1,97	1,74	2,24	5,95
Luhansk	11,6	30,30	774	1,81	3,51	3,02	8,33
Lviv	27,1	13,70	1221	4,22	1,59	4,77	10,57
Mykolayiv	11,0	14,90	594	1,71	1,72	2,32	5,75
Odesa	6,1	-6,70	394	0,95	-0,78	1,54	1,71
Poltava	19,8	22,90	766	3,08	2,65	2,99	8,72
Rivne	23,7	16,90	1179	3,69	1,96	4,60	10,25
Sumy	22,6	36,40	1344	3,52	4,21	5,25	12,98
Ternopil	26,4	22,50	1214	4,11	2,60	4,74	11,46
Kharkiv	18,5	29,70	1025	2,88	3,44	4,00	10,32
Kherson	15,0	20,50	756	2,33	2,37	2,95	7,66
Khmelnyskyi	25,6	22,30	1124	3,98	2,58	4,39	10,94
Cherkasy	25,7	16,50	755	4,01	1,91	2,95	8,86
Chernivtsi	22,9	18,90	736	3,56	2,19	2,87	8,62
Chernihiv	20,6	29,00	1052	3,21	3,36	4,11	10,67
Xc	20	19,32	879				

Source: built by the authors according to the State Statistics Committee of Ukraine, 2021

Researchers (Melnik, Ptashnik (2018) found that the scale of the rating assessment of competitiveness was deciphered as follows: from 3 to 7 points - low competitiveness; from 7 to 10 points - medium; with 10 points - high.

According to the results, the leaders of competitiveness between the districts of Ukraine, according to production indicators of 1 hectare, Ivano-Frankivsk, Vinnytsia, Volyn region, from the point of view of performance per person - Sumy, Ternopil, Lviv region; profitability - Sumy, Kharkiv, Chernihiv and for the total rating account - Sumy, Ternopil, Volyn. Low places in Odessa, Mykolaiv, Kirovohrad regions.

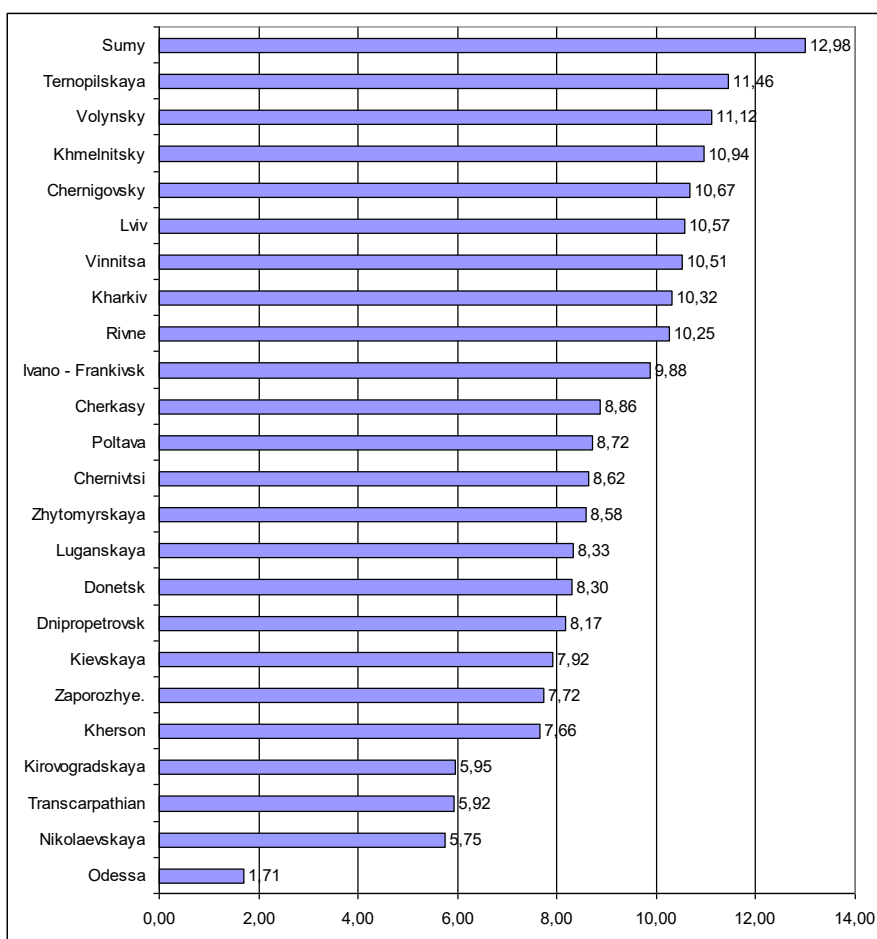


Figure 2: Balance rating of the competitiveness of the regions of the agrarian sector of Ukraine in 2020

Source: built by the authors according to the State Statistics Committee of Ukraine, 2021

Through financial policy, the state can influence the pace of development of agro-industrial production, its structure, in particular the share of individual business entities in the overall structure. This is done to effectively manage the industry and ensure food security. It can be assumed that the confident role of agricultural finance in the economic market largely depends on the policy of state protectionism.

The modern policy of state financial support for the agrarian sector of Ukraine has features of protectionism, which manifests itself as measures of state regulation for the sake of competition, promotion of investment, saving material costs, protecting jobs to maintain sustainable development conditions.

The foundations of state policy in the budgetary, credit, price, regulatory, and other areas of public administration are defined in Art. 1 of the Law of Ukraine on state support of agriculture (2004), as a measure to stimulate the production of agricultural products and the development of the agricultural market, as well as to ensure the food security of the population.

One of the key financial regulators of the competitive environment of the agricultural sector of the economy is the fiscal mechanism through fiscal methods. The main instruments of financial regulation are: regulatory legal acts, taxes, tariffs, duties, budget programs, macroeconomic plans and targeted comprehensive programs, government orders, centrally set prices, standards, licenses, quotas, limits, etc.

That is, fiscal methods, being an inseparable part of state regulation, are a combination of various tools and forms of fiscal economic impact on the development of agriculture to create stability and competitiveness for all categories of farms, create opportunities for saturating the market with quality food, developing rural areas, and achieving food security of the country.

The dynamics of the functional expenditures of the State budget for the agricultural sector of Ukraine in 2013-2020 is shown in Table 3.

Table 3: Dynamics of state budget expenditures on agriculture sector of Ukraine in 2013-2020, UAH million

Indicators	2013	2014	2015	2016	2017	2018	2019	2020
State budget expenditures on agriculture	7705	5135	4143	4075	10532	13054	13020	13496
Share in budget expenditures, %	5,16	1,19	0,71	0,59	1,25	1,32	1,21	1,04
Share in expenditures on the economy, %	15,18	14,92	11,15	12,97	22,39	20,52	18,00	7,98

Source: built by the authors according to the State Treasury of Ukraine URL: <https://www.treasury.gov.ua/ua>

4.4. Practical aspects of applying the model of financial regulation

Thus, the competitive strategy is based on available resources of the industry (material, financial and intellectual), the level of development of various forms of management, structure of production, sales, processing, value chains and bilateral regulators: government and market.

For the agricultural sector, the availability of an effective competitive environment is a stimulus for efficiency, and it has the following characteristics: factors of influence, competitive environment, factors of advantage, levels of regulation (Figure 3).

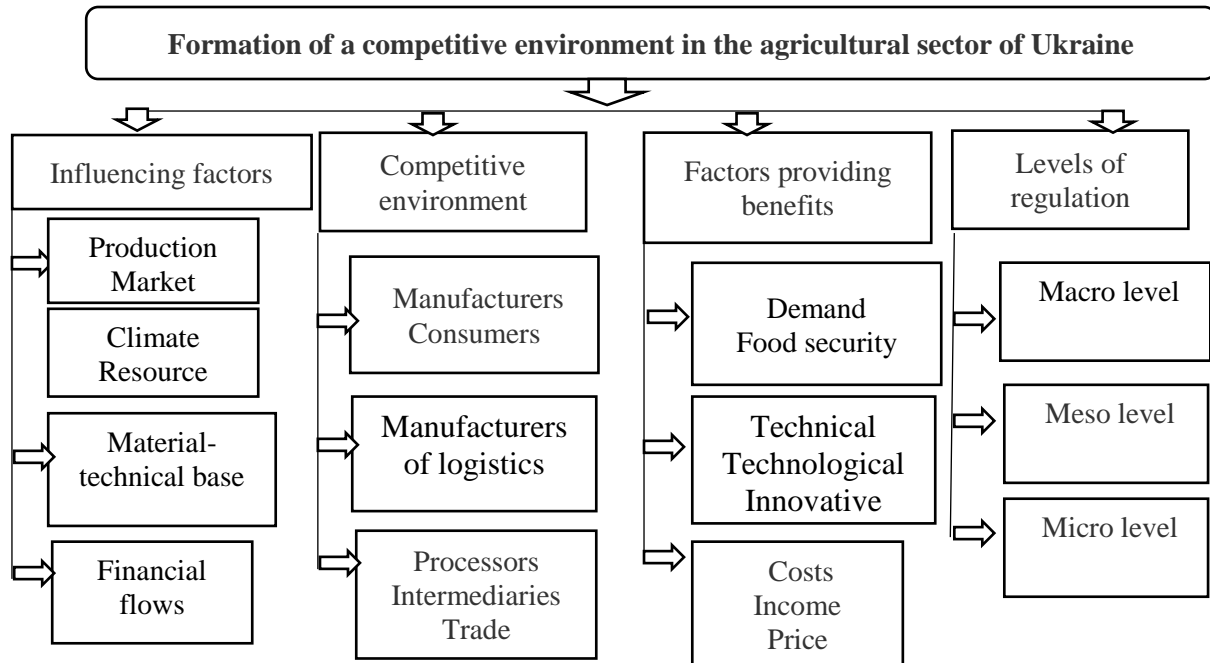


Figure 3: Formation of a competitive environment in the agricultural sector of Ukraine
 Source: built by the authors according to the Puzhay-Chereda (2016); Dernova, Borovik and Kravchenko (2020); Nakisko and Danylenko (2018); Radchenko and Leontovych (2021); Melnychuk (2021).

The main directions of state financial regulation of the agricultural sector are currently defined in the National Economic Strategy until 2030 (Strategy, 2021), which provides for a separate Strategic Course of State Regulation in the Development of the Agro-Industrial Sector for the following purposes: ensuring an stimulating agricultural policy; provision of quality infrastructure; creation of conditions for providing available material and technical resources; balancing the production of high- and low-margin products to increase the profitability of the sector; promoting the development and full provision of the market for the functioning of the processing industry; optimization of the sales system for products in the domestic and foreign markets The course defined in the Strategy for Ukraine is a kind of symbiosis of domestic traditions in the management of the agricultural sector and the tools of the EU countries on state protectionism of food security.

The regulatory documents, on the basis of which the Strategy-2030 was formed, noted that the main directions for the development of the agricultural sector in Ukraine should be considered: civilized formation of the land market; providing state subsidies to agricultural producers and attracting investments in the agricultural sector of the economy; carrying out all

technological processes of production in accordance with European requirements; entry of domestic enterprises to international markets for agricultural products; solution of social problems in the countryside.

At the same time, it is obvious that state regulation is an intervention that affects the market situation, that is, here there is a need to achieve a balance of state regulatory and market measures to create a competitive environment for high efficiency.

In such conditions, Ukraine should pursue an effective agricultural policy to support the agricultural sector in the market through regulatory support, creating conditions for the formation of a competitive environment, increasing the level of competitiveness of individual forms of management by increasing the level of scientific and technical support, orientation, and innovative development model.

5. CONCLUSIONS AND RECOMMENDATIONS

The eruptive studies allow us to induce appreciation. Based on the foregoing, the regulation of the competitive environment for the agricultural sector of Ukraine is a set of measures taken by the state to equalize the economic conditions of management in the market.

Regulation concerns almost all aspects of activity - regulatory, organizational, financial, and regulatory. These measures affect the micro level, leveling the production, financial, infrastructural, organizational, personnel potential of the industry, as well as the macro level, leading to an optimal structure in financial, credit, tax, and budgetary policies. Thus, state regulation measures strengthen or weaken the action of market levers to satisfy the ability of the industry to function effectively in the external and internal markets.

To increase efficiency, the state financial regulation of the competitive environment of the agricultural sector should be transformed in the key areas defined in the Strategy-2030, which provide for the formation of:

- equal conditions for access of agricultural producers to state support programs through the functioning of the State Agrarian Register; introduction of tools and a mechanism for the development of farms, optimization of the activities of the Ukrainian State Fund for the Support of Farms; strengthening financial support for agricultural cooperatives;

- in crop production: reimbursement of expenses associated with the cultivation of high-margin crops; supporting the production of high value-added crops; niche crops; irrigation support; stimulation of breeding and popularization of new varieties of plants;
- in animal husbandry: increase in the number of cattle and pigs; increase in livestock and poultry in the organized sector; support for the acquisition of breeding (genetic) resources; stimulating an increase in the productivity of cows; attracting investments for the construction and reconstruction of livestock farms and complexes; stimulation of production and processing of livestock products by the organized sector; improving the quality of animal products; development of beekeeping; aquaculture; organic production; ensuring the participation of public organizations of agricultural producers and territorial communities on the development of budgetary state and regional programs of agricultural development. This will create a proper legal framework, predictability of the rules of the game and guarantee the implementation of food security with the involvement of all forms of commodity producers and the formation of a competitive environment for agricultural production and processing.

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