EFFICIENCY OF FORAGE PRODUCTION -
THE MOST IMPORTANT FACTOR IN
EFFECTIVE MANAGEMENT OF LIVESTOCK

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Abstract: The necessity of investment in fodder, as a basis for effective management of livestock as part of
economic production and agro-industrial complex. The importance and role of forages in the economy of the
agricultural sector and the main factors of effective forage production in a market transformation. The features
of the economic substance and economic effect of the feed and the method of its determination. The factors
impact on economic efficiency. The concept of "effect", "economic benefit" and "cost-effectiveness". Generalized concept and purpose forage production in the context of the social and social importance.

Keywords: fodder, effect, economic impact and cost-effectiveness, efficiency grassland.

Introduction

One of the strategically important sectors of Ukraine's economy is agriculture. Sustainable agriculture
including livestock, is an important task for achieving food security provision.

The state of the feed in the financial crisis dramatically reduces the number of all kinds of livestock and
poultry and decreases productivity as a general result; thus reducing output of livestock products. Forage does
not meet the needs of livestock. Imports of food of animal origin flood consumer market in Ukraine poses a
real threat to food security.

Increase of agricultural production will result in a more efficient use of material and human resources,
production of competitive products and the scientific approach to the organization of all sectors, including
livestock, from strengthening fodder.

The question of finding economic, organizational and technological reserves to increase production
efficiency and use of feed, including feed, forage production economy to Ukraine, ecological and economic
forecasts production of feed, food and resources to the formation of coarse grains in market conditions are
devoted to P. S. Berezivskoho, I. A Bondarchuk, V. G Vyun, V. P Dolinsky, O.Y. Ermakova, M.N Karaman,
V.L. Pereguuda, A.A. Poberezhna, D.S. Pryhodka, Y.I. Sybal, I.N. Topikha, H.V. Cherevka and several other
scientists, economists, farmers. This is because the change in the socio-political structure of the state, the
emergence of private property and the transformation processes taking place in the agricultural sector; causing
radical change in the traditional relationship to forage production, requiring it to be viewed as a commodity
feed products. Despite the considerable interest of scientists and practitioners to address the problem of
market feeds so far, there is no theoretical or in practical terms a systematic approach to the feed as any other
commodity products. This necessitates the need for deeper scientific evidence problems. All of this together
has resulted in the choice of topic, definition of goals and objectives of this study.

Results

Grassland in the context of the social, social significance and the importance through the sustainable use
of natural, material, technical and human resources through animal products has a direct impact on the
economic stability of the national economy. The strategic plan is a determinant of food security that the
general public understands as a social value. Object material sphere and the result of socio-historical human
activity and fodder is a holistic system in which biological, chemical, technical, technological and biological
components are a necessity in the natural human need for high-quality food for her mental and physical
development and when forming material and social resources form an indissoluble unity.
The problem of evaluating the effectiveness of the feed makes it necessary to define the methodological approaches of improving the organizational-economic mechanism of functioning of the feed in the marketplace.

Grassland - complex organizational and economic and agronomic measures aimed at creating a strong forage base for livestock based on the cultivation of fodder plants on arable land and pasture-lands. Thus fodder is the link between crop and livestock production. It is an integral part of agriculture and at the same time subordinated to the interests of livestock.

The purpose of forage production - cost-effective production of major forage for high performance cattle. Grassland should also show a positive performance in the soil and its harmful effects on the environment. Its task is to transform the plant through resource land (solar radiation, water, nutrients) to the maximum number of converted energy that causes high productivity of farm animals.

To analyze the effectiveness of investments in forage primarily need to consider the economic effects in the industry of agriculture.

Efficiency of a whole - a complex economic category, which displayed performance objective economic laws and highlights one of the most important aspects of social production - efficiency. It is a form of expression of the goal of production.

It is necessary to distinguish between the concept of "effect", "economic benefit" and "cost-effectiveness".

Effect means the result, consequence of certain causes and actions. For example, the effect of fertilizer use in growing food - it feeds the crop growth, the effect of the use in animal feed is improved. Thus performance gains of cattle.

The effect can be measured in physical, social, monetary terms. Thus, the increase forage production may have resulted in such multidirectional effects: physical effects, including an increase in feed, thus increasing livestock in livestock social, allowing the creation of new jobs in forage production; Money: a bigger amount of income from the sale of food (or animal products will ultimately feed processing).

In the case when the results of monetary value of forage production are obtained, which will next in talk about economic impact. That is, the economic impact - is expressed in financial (monetary) form the result of any action (including measures to optimize forage production).

But the effect does not show something beneficial or not. Therefore, the effect cannot judge the appropriateness of activity. It is necessary to compare the effect of the cost of its receipt and determine what price can be achieved. This is evidenced by economic efficiency.

Economic efficiency shows the final result of the beneficial use of all productive resources and is determined by comparing the results obtained and the cost of inputs. Production efficiency is a generalized economic category, quality sign which is displayed in high performance using the means of production and labor.

Efficiency is defined by the ratio of the result (effect) to the costs provided that is received. Efficiency reveals the nature of causation entities. It shows not the result, but what kind of price which was achieved. Therefore, performance is often characterized by relative terms that are calculated based on two groups of characteristics (parameters) - Results and costs. The period of performance is usually used in terms of money and loss and expense.

Consequently, economic efficiency is a type of performance that characterizes the productivity of the economic system (companies, areas of the national economy). The main feature of such systems is expensive nature of funds (expenditure, expense) to achieve goals (outcomes), and in some cases the most goals (such as profit).

In general, the basic scheme of the definition of economic efficiency can be expressed by the formula:
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e = \frac{E}{W}, (1.1)
\]
where e - an indicator of economic efficiency;
E - the value of economic benefit;
C - consumption of resources (money, means of production, goods and labor, labor factors, time, etc.) in support of this economic effect.

Although the general theoretical principle is simple and straightforward, its practical implementation in forage production can be based on different methodological approaches. Their selection requires a thorough understanding of the economic content and purpose forage production.
In forage effect as a result of investment it is advisable to consider:
1) proceeds directly from forage production;
2) the profits in livestock.
Direct income forage production include:
– first, the profit from sales of forage production.
– secondly - the amount of depreciation.
– and thirdly, the rent (this value is obtained by the use of land in the capital fodder).
– fourth - payroll taxes workers forage.
An important result of investment in fodder production is also rising incomes in farming, because of the
gross profits forage production is also part of the gross income of livestock.
Improving the efficiency of feed processing means that each unit costs and applicable resources receive
more feed and income. This is of great importance for the entire economy and for each agricultural enterprise
and population.
Firstly the less work and resources expended per unit of output, will facilitate an increase in the
production volume for the same resources that will enable lower prices.
Secondly the efficiency of forage production directly affects the level of retail prices for some food and
consumer goods made from animal products therefore increasing efficiency and reducing the cost of creating
the conditions for a reduction in retail prices in the market.
Thirdly improve the efficiency of forage production associated with a higher income and profitiability of
agricultural enterprises. Of particular importance is increasing the economic efficiency of fodder production
under market conditions. The final evaluation activities of an enterprise carried out on each commodity, result
in a competitive win for that commodity that has a lower cost of production and high quality.
In forage production, as in other sectors of the economy, cost-effectiveness should be considered in
organic connection with the achievement of social outcomes and social impact. Any measures to improve the
efficiency of forage production is necessary to evaluate not only the economic position, but also taking into
account the social outcome (improvement of working conditions, social and cultural services in rural areas,
increased wages, etc.). It is also important to ensure. The environmental impact, respect the balance of nature,
which is especially important in connection with the acceleration of scientific and technological progress.
To evaluate the efficiency of the feed, reserves increase detection efficiency is necessary to evaluate the
various phenomena that occur in this area, to identify the impact of various factors on the fodder production.
All the factors of the effective functioning of forage production in a market can be divided into two main
groups: the market (economic); non-market (non-economic).
Quite a significant impact on the performance of the feed with non-economic (non-market) factors,
which include regional climatic conditions and soil factors (soil condition and its topsoil).
All markets (economic) factors of efficiency of forage production can be divided into two groups:
1) macro (external) factors;
2) micro (internal) factors.
Among the external factors of macro environment affecting the effective functioning of forage
production in Ukraine are the following: the state legislative regulation of the market on feed and livestock
development, the formation of a mortgage of land, legal regulation problem of price parity between the
resources used in the feed and food prices feed (and ultimately - the prices of animal products); level of state
support for the feed; tax burden, which worsens the financial position of agricultural enterprises, the state of
Livestock Development (factor in demand for feed), the level of development of the food (demand factor) and
others.
Macroeconomic factors of forage production is largely the same as in the agricultural sector as a whole.
An important external factor that causes the problems of the industry is the level of price parity between the
resources used in forage production and the price of food. Now intersectoral disparity in prices for individual
articles goes into sixth overall size (for example, electricity prices for the agricultural sector 65% higher than
the industry). The growing cost of energy give grounds for expecting the rising trend in prices for mineral
fertilizers, especially nitrogen - at 2-3. All this cannot but affect the cost of forage production and
intensification of price disproportion products in related areas of agricultural production complex. Launched
at the present stage of declaring wholesale - prices for food also increases disparity in prices for farmers and
reduces the level of economic efficiency of fodder production. Therefore, one of the areas of legal regulation now has become the development of measures to reduce disproportion prices.

Among the internal (microeconomic) factors of efficiency of forage production are the following groups of factors:

– organizational (system of production, selection factors, agronomic factors),
– resource (endowments: fixed assets including land resources, financial resources, human resources, scientific and technical resources),
– management and marketing (marketing activities in state farms).

The totality of these factors in its unity and interconnectedness determine the efficiency of forage production and the prospects for its further development as a distinct field of agriculture.

At each level of study in determining the system of economic efficiency of feed production should take into account the principle of comprehensive mapping causal relationships between costs of production and resources used in all kinds of economic benefit.

Scorecards are advisable to characterize all components of forage production. In this part of the overall performance should be a sectoral nature, the other must express the natural, conditioned, natural (or base-natural) and cost aspects of the economic efficiency of fodder production.

In addition, some indicators should reflect the overall economic efficiency of fodder production, while others - the effectiveness of the use of certain types of resources (labor, material, financial), and others - costly and resource characteristics are not only economic but also ecological and energy efficiency of forage production.

Discussion

Thus, the effective functioning of forage production is possible with the beneficial effects of different groups of factors such as market and non-economic. Assessment of current status and future forage production efficiency requires consideration of specific methodologies to assess the economic efficiency of the production and use of feeds. Under the conditions of market economy an important factor in the convergence of interests of crops and livestock, primarily in the production of feed and livestock compliance is a sequence of economic changes - this is due to the need to ensure the gradual restructuring of the current system of animal husbandry and fodder production, science-based rationing productive capacity in these areas while personnel and the guidance, with the creation of a gradual adaptation to the commodity market conditions.

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