MARKET OF AGRICULTURAL PRODUCTS AND ITS REGULATION

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Abstract. This article describes the concept of "market of agricultural products", and describes the history of its formation and development. In this article we investigate the future of the agricultural market in Ukraine and its current state. We identify the main problems in the functioning of the market mechanism focusing on the methods of regulation of the market, including the state. The market for agricultural products has different features, as traded agricultural products are not only used as food but also as a means of production for other industries.

Key words: market of agricultural products, market mechanism, agricultural market, Government regulation, food safety, producer, consumer, competitive, effective regulatory framework, region.

Introduction
The level of development and sustainability of the agricultural sector depends largely on the economy, food security, and related products market with their own production. Given the significant resource potential of Ukraine, its agriculture is capable of meeting the food needs of the population. However, the current level of development in the agricultural sector in Ukraine is weak and the volume of production is carried out food security, which is determined by the level and dynamics of food consumption per capita. In the developing the market economy the government should focus on a level of food production which provides science-based minimum standards of consumption of important foods for the population rather than increasing the share of imports - which can undermine the stability of the internal market. The study of agricultural markets engaged many scientists, including F. Kotler, O. Gudzynskyi, D. Stoner, P. Sabluk, Y. Kovalenko, etc.

However, we still have to answer the following questions: "How does the market of agricultural products effect food security?" and "What is the state of the market for agricultural products?" So for us it became important to investigate and analyze the current state of the market for agricultural products in Ukraine.

Method
In the study we compared the market of agricultural products in the past and the present. We also conducted an analysis of problems and possible solutions.

Results
In Ukraine, difficulty providing sufficient food for the population increases the lack of transparent, civilized agricultural markets, ie markets where rural producers could at any time, at an affordable price for all, sell their products. Therefore, for producers in a market economy, is not problem how and what to produce. The problem is how and to whom to sell.

The market of agricultural products has different features, as traded agricultural products are not only used as food but also as a means of production for other industries. In such circumstances, the country should have a functioning, civilized, transparent, market for agricultural products, which would allow the additional benefit of trading through all links of the food chain - from production of raw materials to providing the industry with the necessary tools to use the final product. The market of structured products covers many industrial markets: grain, sugar, vegetables, meat, milk, poultry products, etc. The significance of these classifications can be considered informative rather than practical, but they cover the same market category as the product.

The economic literature widely uses the concept of the agricultural market, which is often identified with the concept of agricultural markets. However, the content of the agricultural market is much wider, covering
not only the areas of trade in food and agriculture and ensure food industry and the means of production, the economic relationship between the parties vertical and horizontal connections in the system of agriculture and abroad, that is complex. Its main subjects are agricultural producers, its collectors and processors. This realization is important for understanding the process of agricultural market regulation, which essentially involves regulation of economic relations in all its forms between the actors of the market activity.

Discussion

A study of the nature and mechanism of agricultural markets shows that the first manifestations of market relations in agriculture existed in ancient times, when there was an exchange of labor between a producer with a surplus and agricultural and pastoral tribes. Thus interest was provided and within the capabilities of both one and the other participants in the exchange. It was the simplest and most primitive form of exchange market relations when manufactured products transferred, preferably first hand directly into the hands of the consumer. This exchange of products was not based on the value as embodied in labor costs for their extraction or production, but rather reflected the expediency of the exchange of real goods based on their utility, equally for participants in the exchange, and was accidental, barter in character. The development of mankind resulted in a deepening division of labor, which led to the emergence of commodity production and necessitated not random but regular exchange of surplus products on the market. The economic fundamentals of the market are reflected in the exchange of equivalent labor costs between producers of different agricultural products.

The food market has come a long way from primitive to modern organized markets, which are characterized by continuous updates, the improved quality of products, the replenishment of the product range to meet the demand of customers, despite competition expression. The market for agricultural products is primarily the competitive environment in which each party wants to get benefit and usually results in some benefit/loss for the other, as each competitor tries to squeeze the game. The market of agricultural products is an internal organization of commodity-money relations and describes the deepest nature of an economic institution of property that system through the form of relations of appropriation can be alienated. That is, it should be viewed as a mechanism of exclusion-operation relations of appropriation as a mechanism for the implementation of property in the form of agricultural products. In this approach, one could argue that the market of agricultural products - a system of economic relations, which is formed with the participation of various institutions, provides and regulates the production of the agricultural sector and the movement of goods to the consumer in exchange.

Since Ukraine's transition to a market economy and the development of direct trade relations with other European countries in the domestic market held the process of displacement of domestic production of imported goods, which often leads to monopolization of certain segments of the domestic consumer market by foreign producers. However, imported products are mostly of poor quality, and the process of trading activities became uncivilized in form. Any farmer can clearly recognize that the current market is relatively unfair, non-transparent, unpredictable and completely unpredictable. There is no reliable support system or regulation of the market and its infrastructure. Create these two important factors necessary to the existence of an agricultural market -this is the immediate task of the state. No private entity is objectively able to perform this task. Government regulation may provide a system of goals that may sometimes conflict with each other. In this case it is necessary to find a compromise solution. Such a solution should satisfy the interests of the population as a whole, the villagers, agricultural and agro-industrial enterprises, and the state itself. This is because the interests of the population in the food market are opposite the interests of their producers who are interested in raising market prices and lowering tax payments. Compliance with food safety is also socio-economic in nature, as the income and employment of the rural population is largely dependent on the development of agricultural enterprises. It is also advisable to take into account the matched increase in employment, increase revenue and volume in the food market and the significant role played by their own farms, the share of which accounted for more than half of the gross output of the industry.

The experience of countries with developed market economies shows that they are taking care of their own food security, using state-led regulation of agriculture through credit expansion, support fixed prices, the implementation of direct payments and so on. For the scientifically grounded and practically prudent regulation of agricultural markets and its components - food markets require appropriate government agencies, as is the case in developed countries such as Poland, where these functions are performed by the
Agricultural Market Agency. In Ukraine, the Department of Agricultural Development at the regional and district levels cannot perform these functions because they did not. The overall objective is to improve the national priority of Ukrainian legislation that would meet the obligations of Ukraine as a WTO member. The approximation of Ukraine to EU legislation provides for its approach to modern European legal system that will ensure the development of political, business, social and cultural activities of Ukraine, the economic development of the country within the EU and will contribute to a gradual increase in welfare of the citizens to the level of Member States. It will reform the legal system and gradually bring it into line with European standards covering civil, customs, labor, finance and tax law. Providing subsidies, the government balances the development of industries and production of a product throughout the whole though agro-industrial production. Each region has its own specifics regarding the form and means to achieve their own development strategies. This is determined by the fact that each region developed a kind of level of development of the agricultural sector, regional and sectorial structure, the level of provision of the means of production and formed features of scientific and technological development of agriculture.

However, the state regulation at the regional level should involve solving the issues that cause a regulation - to provide people with food and raw materials processing industry of its own production, and provided they lack - to attract from other regions. National and regional reserves and output intended for export, should be taken into account as well as the need for the import of certain products. Balancing allows you to identify the food resources of the region, the possibility of redistribution to areas with too few. The most important task of the agro-industrial production region - is to sufficiently or fully provide food to the population, including imports and exports to the region. Therefore there is a need in the region, and at the level of regions and find the opportunity to make regulations on the development of the agriculture and agricultural production as the main link.

Thus, in the development and functioning of agricultural markets there are a number of problems that can be solved only with the direct participation of the state. This need is due to the economic nature of the market as an economic mechanism, devoid of elements of social justice and is unable to solve the socio-economic and environmental problems. In addition, the subjects of agricultural markets differ by ownership, approaches to performance evaluation and the importance of their participation in the course of commodity-money relations, sales promotion at all levels, from producer to consumer. In terms of specific areas and regions there are significant variations in the levels of major products per capita, and thus the possibility to adjust it according to scientifically based standards of consumption. For example, egg production is higher than Ukraine's average per capita need, in farms in the region of the East, North and Centre. Potato production per capita in the regions, North, and West respectively 5.3, 4.9 and 4.7 times more than in the South region. Considerably fewer potatoes are produced in the economy of the eastern region. The lowest level of beef production per person is in eastern Ukraine, where the respectively 2.4 and 2.5 times less products than in the regions of North and Center. A similar situation is observed for the production of milk and dairy products.

Elimination of the disparity between regions in food security, per capita (for example, the lack of production industries vegetable, fruit or animal husbandry) can be caused by the promotion of agricultural producers each region intensively engaged (if there are favorable conditions and economic benefits) in production. This will reduce the price as a result of increased supply of these products, and improve the solvency of the population. Instead, you can use existing surplus products available in other regions, where their production established favorable natural and economic conditions and the cost is much lower, and make them move to other regions where there are too few. This can be achieved by state intervention measures aimed at stabilizing the supply of a certain type of product. This may promote division of labor, specialization and location of agricultural production and processing industries based social interests. This in no way contradicts the problem regions and their role in the national economy, public administration and regional development of agricultural markets should be combined with clear separation of powers of public authorities and local governments. In each region the regulation of agricultural markets should be directed to the development of a competitive market economic system, and the use of infrastructure and institutional development. For effective functioning of the market for agricultural products there must be formed an effective regulatory framework.
References