MECHANISMS AND TOOLS OF SUPPLY REGULATION IN AGRICULTURAL SECTOR OF ECONOMY

Urgency of the research. Optimization of development of agricultural sector is not possible without targeted search for optimal solutions in production process and strengthening of state regulation of reproduction, breeding, fishing and usage of fish stocks.

Target setting. The world economic science has formed both scientific theoretical and methodological approaches to problem of state regulation. However, there are significant problems, without solution of which the revival of Ukraine as a member of European society, the significance of which corresponds to the scope and traditions of the country, is impossible.

Actual scientific researches and issues analysis. The undeniable role of agricultural sector encourages scientists to study conceptual foundations of its transition to dynamic and sustainable development in the modern conditions. Works of D. Stechenko [2] V. Bodrov, A. Safarhon, N. Baldych [1], V. Galushtko and A. Dibrova [3], S. Kvasha [4] form the basis of methodology of regulation of agricultural sector. Important contributions to the system of economic regulation theoretical formation were made by such foreign scientists as D. Keynes [5], R. Coase [6].

Uninvestigated parts of general matters defining. Research of works of the scientists listed above does not allow concluding on the completeness of its valuation of mechanisms and instruments of regulation of food supply.

The research objective. The conducted research is aimed to examine existing mechanisms and instruments of regulation to ensure effective development of fishing industry involved in the food production.

The statement of basic materials. The article substantiates the feasibility of implementation of the National versions of CKEA based on NACE (Rev.2, 2006) and Central statistical classification of products by economic activity, based on the CPA-2008. Proposed amendment will help to distinguish indicators of production and promoting the development of the agricultural sector.

Conclusions. Thereby market self-regulation is not always harmonize the disparities of economy and has to be complemented by regulation. This idea applies for state support of production and ensuring appropriate level of supply of products and increasing manageability of sectors to achieve goals of sustainable development of the UNO.
Urgency of the research. Taking into account the fact that fishing is one of the parts of the common economic space, optimization of its development is not possible without targeted search for optimal solutions in production process and strengthening of state regulation of production and usage of food.

Formulation of the problem. The world economic science has formed both scientific theoretical and methodological approaches to problem of state regulation of artificial cultivation of aquatic organisms. However, there are significant problems, connected with regulatory and legal support, without solution of which it is impossible the revival of Ukraine in future as a member of the international and the European community, the significance of which corresponds to the scope and traditions of the country.

Analysis of recent research and publications. The undeniable role of agricultural sector in improving the living standards of population encourages scientists to study conceptual foundations of its transition to dynamic and sustainable development in the modern conditions. Works of D. Stechenko [2] V. Bodrov, A. Safronov, N. Baldych [1], V. Galushko, A. Dibrova [3], O. Vtyvyzka, S. Kvasha [4], A. Mogulnyj [9] form the basis of modern national methodology of regulation of agricultural sector, research of instruments and mechanisms for the formation of economic activity indicators of business entities involved in food production. Important contributions to the system of economic regulation theoretical formation were made by such foreign scientists as D. Keynes [5], R. Kous [6] and other famous economists.

Definition of general problem uninvestigated parts. The analysis of works of the scientists listed above does not allow making a conclusion on the perfection of mechanisms and instruments of proposals regulation in fishery. There is a need to improve regulatory basis, necessary for state support of production and ensuring appropriate level of fish supply, improving fisheries management to achieve sustainable development goals of the UNO.

The research objective. The conducted research is aimed to examine existing mechanisms and instruments of regulation to ensure effective development of business entities, involved in the food production.

Material and methods of research. Experimental research was conducted on the basis of business entities which are the part of the Association of fish farms of inland waters «Ukrybgosp», including independent subdivisions of National University of Life and Environmental Sciences of Ukraine, the budgetary institution «Methodological and Technological Centre of Aquaculture». Complex of methods are methodological base of research: dialectical method of understanding reality, systematic, comprehensive, differentiated approaches to the study of economic phenomena, fundamental research of domestic and foreign scientists concerning problems of state regulation of aquaculture production, laws, programs, concepts and other legal documents, data of the FAO, of the World Trade Organization, regional fisheries management organizations (NAFO, NEAFC, CCAMLR, Globefish) and non-printed scientific information placed in the global computer network. Information sources were investigated and features of State Regulation of Aquaculture production were established by the staff of the Laboratory of Information Technology, Economics and Management in livestock breeding of NULES of Ukraine. Research methodology includes a system of specific methods in combination with theoretical aspects of functioning and development of aquaculture: abstract logical, monographic – for comprehensive study of current state of aquaculture production and identification of trends and patterns affecting the indicators of its development; method of grouping – to determine the effect of various indicators; method of comparison – to compare the economic phenomena in different time periods; cause and result method – to identify cause-effect relationship; selective method – for detailed examination of individual fisheries enterprises in different regions.

The statement of basic materials. Economic research in the fishing industry – is underdeveloped area of activity, staying at the initial stage of development due to limited financing, in comparison with developed countries. There are no scientific-methodological materials on economics, finance, and
accounting. Modern methods in state regulation of fishery production are not implemented. Adaptation of economic processes in Ukraine to international standards has made some adjustments to development of fish production. It should also be noted that the legal framework has not formed necessary complex of mechanisms and instruments for restoration and further development of aquaculture production in Ukraine. It is not effective enough, and it needs reformation. In particular, the numbers of regulations have been adopted hastily without sufficient processing by legislator. Besides, these regulations were periodically supplemented with not always appropriate changes. As a result, this situation has led to the incorrect interpretation of certain rules and regulations by economic and accounting service enterprises, during implementation of appropriate calculations. It has also led to preparation and submission of incorrect accountings and as a resulted to appearance of errors and considerable work to eliminate them. In addition, some of the above mentioned acts are not coordinated and contain contradictory information, particularly concerning definition, recognition, measurement of biological assets in freshwater aquaculture. In particular, the specific biological asset fisheries – procreator –fish, from which posterity is obtained by natural or artificial spawning, have not been taking into account for a long time in «Biological assets» [11] and the Guidelines on accounting of biological assets [8]. In practical terms issues concerning evaluation and display of fisheries enterprises of actual receipt of larvae have been remained unclear, despite the fact that the cost of planting material, sold to other farms (larvae, born this year) enterprises reflected in the Report about fishing, seafood extraction and processing (form № 1 (fish), approved by The State Statistics Service of Ukraine from 06.06.2003 # 165).

In order to optimize fishery production and to obtain factual, accurate information about the nurseries and larvae, amendments to the legal acts determining the biological assets have been introduced in enterprises producing aquaculture products [8]. It has also been proved that recognition of such biological assets of age groups completely corresponds to economic and technological processes of implementation of aquaculture production.

According to the second part of the Article 6 of the Law of Ukraine «On Accounting and Financial Reporting in Ukraine» such changes have been included to Annex 1 of the Methodological Recommendations of biological assets accounting, approved by the Ministry of Finance of Ukraine of 29.12.2006 # 1315, approved by the Methodological Council for Accounting at the Ministry of Finance of Ukraine: in «Additional biological assets line first «Fish farming», «Fish farming, apiculture, sericulture», the text is set out as follows: «The material for breeding fish, including larvae, fry, born this year, one year old, nursery». As we can see it is possible to understand the same indicator in different ways. This is due to several reasons: existing bodies, creating methodological recommendations, developing specialized documentation use knowledge of industry experts very little, and consumers of information, in turn, are insufficiently demanding for the quality of figures. Therefore, solution of the problem of improving the quality of consolidated information and control for its accuracy requires practical realization of complex of measures for development and implementation of optimized specialized forms of primary documentation for companies growing aquaculture in the system of State agency of Fisheries of Ukraine. One of the mechanisms to highlight the state of economic activity of fishery enterprises to find ways for improving their financial and economic indicators, to conduct statistical surveys of economic activity and analysis of statistical information at macro level (drafting of interbranch balance of production and distribution of goods and services in accordance with the system of national accounts) is Classification of kinds of economic activities. Since 2001, GDP components by production and income methods were calculated by kinds of economic activity according to the Classification of economic activities (CEA), approved by the Order of the State Standard of Ukraine # 441 from 22.10.1996. Classification of kinds of economic activities has been elaborated to implement the resolution of Cabinet of Ministers of Ukraine from 05.04.93, #326 «On the Concept of development of national statistics of Ukraine and the State program of transition to the international system of accounting and statistics» [10]. The purpose of development of the second edition of CEA was to bring it in compliance to basic International Statistical Classification of kinds of activity of the European Union – Nomenclature of Activities European Community – NACE (Rev. 1.1–2002) [7] and revision of certain positions of national level of classification. A new version of
the classification did not change economic content of activity kinds on section levels of CEA by which national accounts are composed. At the level of CEA there is distribution among accounts by certain phases of the economic activity and directions of its state regulation. In recent years the project of national version of Classification of kinds of economic activities has been prepared on the base of NACE (Rev. 2, 2006) and Central statistical classification of products by kinds of economic activity on the base of CPA-2008, by our direct participation and by State Statistics Committee of Ukraine participation. In the project of national version of Classification of types of Economic Activities Section A – «Agriculture, hunting and forestry» and Section B – «Fishing, pisciculture» are united in one – Section A. Section A consists of 3 parts. Chapter 03 «Fisheries and breeding of aquaculture» consists of two groups of aquaculture (marine and freshwater).

The classification, which has been proposed and taken to the implementation, has scientific and practical significance for successful systematization and grouping of economic information about production, organization and branch management in market conditions. Proposed amendment will help to distinguish indicators of fishing and cultivation, breeding of own products and promoting the development of fisheries.

Conclusions. Thereby market self-regulation is not always able to harmonize the disparities of economy and has to be complemented by regulation. Especially this idea applies to and encompasses problematic aspect of creating legal framework, required for state support of production and ensuring appropriate level of supply of food and increasing manageability of agricultural sector to achieve goals of sustainable development of the UNO.

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